THE ROLE OF FINANCIAL LITERACY, MENTAL ACCOUNTING, AND RISK PERCEPTION ON INVESTMENT DECISIONS IN FINANCIAL ASSET: SELF-EFFICACY AS MODERATOR AMONG GEN Z IN WEST KALIMANTAN

THESIS

As a Requirement to Obtain Bachelor's Degree in Management Science

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PERAN LITERASI KEUANGAN, AKUNTANSI MENTAL, DAN PERSEPSI RISIKO TERHADAP KEPUTUSAN INVESTASI ASET KEUANGAN: EFIKASI DIRI SEBAGAI MODERATOR DI KALANGAN GEN Z DI KALIMANTAN BARAT

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ABSTRAK

Dampak literasi keuangan, akuntansi mental, dan persepsi risiko sangat penting dalam membentuk keputusan investasi, terutama karena platform keuangan digital mempermudah akses investasi bagi Generasi Z di Kalimantan Barat. Perbedaan pengetahuan dan bias psikologis kerap memicu keputusan yang kurang tepat, sementara efikasi diri dapat memperkuat kemampuan mengelola risiko dan menerapkan pengetahuan keuangan. Penelitian ini mengkaji pengaruh ketiga variabel tersebut terhadap keputusan investasi dengan efikasi diri sebagai moderator. Melalui pendekatan kuantitatif dengan purposive sampling terhadap 205 responden dan analisis SEM-PLS, ditemukan bahwa literasi keuangan, akuntansi mental, dan persepsi risiko berpengaruh positif signifikan terhadap keputusan investasi. Efikasi diri tidak memoderasi pengaruh literasi keuangan maupun akuntansi mental, namun memperkuat pengaruh persepsi risiko terhadap keputusan investasi. Temuan ini menegaskan pentingnya peningkatan pengetahuan dan kepercayaan diri untuk mendorong perilaku investasi yang lebih rasional di kalangan generasi muda.

Kata kunci: Literasi keuangan, Mental accounting, Persepsi risiko, Keputusan investasi, Self-efficacy.

THE ROLE OF FINANCIAL LITERACY, MENTAL ACCOUNTING, AND RISK PERCEPTION ON INVESTMENT DECISIONS IN FINANCIAL ASSET: SELF-EFFICACY AS MODERATOR AMONG GEN Z IN WEST KALIMANTAN

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ABSTRACT

The impact of financial literacy, mental accounting, and risk perception is very important in shaping investment decisions, especially because digital financial platforms facilitate investment access for Generation Z in West Kalimantan. Differences in knowledge and psychological biases often lead to poor decisions, while self-efficacy can strengthen risk management skills and apply financial knowledge. This study examines the influence of these three variables on investment decisions with self-efficacy as a moderator. Through a quantitative approach with purposive sampling of 205 respondents and SEMPLS analysis, it was found that financial literacy, mental accounting, and risk perception had a significant positive effect on investment decisions. Self-efficacy does not moderate the influence of financial literacy or mental accounting, but strengthens the influence of risk perception on investment decisions. These findings confirm the importance of increased knowledge and confidence to encourage more rational investment behavior among the younger generation.

Keywords: Financial literacy, Mental accounting, Risk perception, Investment decisions, Self-efficacy.

PERAN LITERASI KEUANGAN, AKUNTANSI MENTAL, DAN PERSEPSI RISIKO TERHADAP KEPUTUSAN INVESTASI ASET KEUANGAN: EFIKASI DIRI SEBAGAI MODERATOR DI KALANGAN GEN Z DI KALIMANTAN BARAT

RINGKASAN

1. Latar Belakang dan Tujuan Penelitian

Perkembangan teknologi digital membuat generasi muda, khususnya Gen Z di Kalimantan Barat, memiliki akses yang lebih luas terhadap informasi dan instrumen investasi. Namun, belum semua memiliki literasi keuangan yang memadai. Faktor psikologis seperti mental accounting dan persepsi risiko turut memengaruhi perilaku investasi mereka. Di sisi lain, self-efficacy atau keyakinan diri dalam mengelola investasi diduga dapat memperkuat pengaruh faktor-faktor tersebut terhadap keputusan investasi.

Penelitian ini penting untuk memahami mengapa sebagian Gen Z mampu mengambil keputusan investasi yang bijak, sedangkan sebagian lainnya kurang optimal. Dengan demikian, penelitian ini menekankan pada peran literasi keuangan, mental accounting, dan persepsi risiko dengan self-efficacy sebagai variabel moderasi. Tujuan penelitian ini adalah sebagai berikut:

a. Menganalisis pengaruh literasi keuangan terhadap keputusan investasi di kalangan Gen Z di Kalimantan Barat.
b. Menganalisis pengaruh mental accounting terhadap keputusan investasi di kalangan Gen Z di Kalimantan Barat.
c. Menganalisis pengaruh persepsi risiko terhadap keputusan investasi di kalangan Gen Z di Kalimantan Barat.
d. Menganalisis peran efikasi diri dalam memoderasi hubungan antara literasi keuangan dan keputusan investasi di kalangan Gen Z di Kalimantan Barat.
e. Menganalisis peran efikasi diri dalam memoderasi hubungan antara mental accounting dan keputusan investasi di kalangan Gen Z di Kalimantan Barat.
f. Menganalisis peran efikasi diri dalam memoderasi hubungan antara persepsi risiko dan keputusan investasi di kalangan Gen Z di Kalimantan Barat.

2. Metode Penelitian

Penelitian ini menggunakan metode kuantitatif dengan survei. Sampel ditentukan dengan purposive sampling sebanyak 200 responden Gen Z di Kalimantan Barat yang memiliki pengalaman atau minat berinvestasi. Data

dikumpulkan melalui kuesioner skala Likert dan dianalisis menggunakan Partial Least Square-Structural Equation Modeling (PLS-SEM) dengan bantuan SmartPLS 4.0. Berikut adalah kriteria yang digunakan untuk memilih sampel dalam penelitian ini:

a. Termasuk Generasi Z (lahir 1997–2012, minimal usia 17 tahun).
b. Berdomisili di Kalimantan Barat.
c. Memiliki pemahaman dasar tentang investasi dan keuangan.
d. Pernah atau sedang melakukan aktivitas investasi dalam 10 tahun terakhir.

3. Hasil Penelitian

Hasil pengujian hipotesis menunjukkan:

- H1 menunjukkan bahwa literasi keuangan memiliki efek positif yang signifikan terhadap keputusan investasi dengan nilai statistik 2,034 (>1,96) dan nilai p 0,042 (<0,05).
- H2 menunjukkan bahwa akuntansi mental memiliki efek positif yang signifikan terhadap keputusan investasi dengan nilai statistik 2,279 (>1,96) dan nilai p 0,023 (<0,05).
- H3 menunjukkan bahwa persepsi risiko memiliki efek positif yang signifikan terhadap keputusan investasi dengan nilai statistik 3,013 (>1,96) dan nilai p 0,003 (<0,05).
- H4 menunjukkan bahwa efikasi diri tidak secara signifikan memoderasi hubungan antara literasi keuangan dan keputusan investasi dengan nilai statistik 0,687 (>1,96) dan nilai p 0,492 (<0,05).
- H5 menunjukkan bahwa efikasi diri tidak secara signifikan memoderasi hubungan antara akuntansi mental dan keputusan investasi dengan nilai statistik 1,129 (>1,96) dan nilai p 0,259 (<0,05).
- H6 menunjukkan bahwa efikasi diri secara signifikan memoderasi hubungan antara persepsi risiko dan keputusan investasi dengan nilai statistik 1,994 (>1,96) dan nilai p 0,046 (<0,05).

4. Simpulan dan Rekomendasi

Kesimpulan:

1. Penelitian melibatkan 205 responden Gen Z di Kalimantan Barat, mayoritas berusia 21–24 tahun (52,7% perempuan), pendidikan terakhir SMA dan S1, berpenghasilan di bawah Rp2.799.000, serta berinvestasi 1–2 kali setahun pada saham, emas, dan reksa dana. Analisis deskriptif menunjukkan semua variabel berada pada kategori tinggi.

2. Hasil uji hipotesis menunjukkan literasi keuangan, mental accounting, dan persepsi risiko berpengaruh positif signifikan terhadap keputusan investasi.
3. Uji moderasi menunjukkan self-efficacy hanya memoderasi signifikan hubungan antara persepsi risiko dan keputusan investasi ($t = 1{,}994$; $p = 0{,}046$).
4. Secara keseluruhan, literasi keuangan, mental accounting, dan persepsi risiko memengaruhi keputusan investasi Gen Z, sedangkan self-efficacy hanya berperan pada hubungan persepsi risiko, sehingga peningkatan pemahaman keuangan perlu disertai penguatan keyakinan diri dalam mengelola risiko.

Rekomendasi penelitian ini mencakup tiga aspek utama:

1. Untuk organisasi, disarankan mengembangkan program literasi keuangan yang komprehensif, tidak hanya mentransfer pengetahuan tetapi juga membangun self-efficacy melalui pelatihan berbasis praktik seperti simulasi investasi dan pengelolaan portofolio digital, serta memanfaatkan teknologi dan media sosial agar selaras dengan karakter Gen Z.
2. Untuk Generasi Z, perlu meningkatkan kesadaran dan pemahaman keuangan pribadi, mengombinasikan pengetahuan dengan kepercayaan diri, belajar dari berbagai sumber termasuk pengalaman langsung dan mentor, serta membiasakan diri dengan pengelolaan risiko dan pola pikir akuntansi yang sehat.
3. Untuk penelitian lebih lanjut, dianjurkan untuk memperluas demografi responden dengan memasukkan generasi lain untuk perbandingan lintas generasi. Peneliti juga dapat mengeksplorasi variabel psikologis baru atau kurang dipelajari, setelah meninjau literatur yang ada. Kerangka waktu yang lebih pendek (misalnya, 3-6 bulan) direkomendasikan untuk mengukur perilaku keuangan agar mencerminkan tren saat ini dengan lebih akurat. Selain itu, menggunakan metode dinamis seperti studi longitudinal atau eksperimen lapangan dapat memberikan wawasan yang lebih dalam. Untuk meningkatkan generalisasi, penelitian di masa depan harus menerapkan pendekatan yang lebih bervariasi. Terakhir, variabel moderasi seperti efikasi diri juga harus diuji sebagai prediktor langsung untuk lebih memahami perannya dalam mempengaruhi keputusan investasi.

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SUMMARY

1. Background and Objectives of Research

The development of digital technology has made the younger generation, especially Gen Z in West Kalimantan, have wider access to information and investment instruments. However, not all have adequate financial literacy. Psychological factors such as mental accounting and risk perception also affect their investment behavior. On the other hand, self-efficacy or self-confidence in managing investments is thought to strengthen the influence of these factors on investment decisions.

This research is important to understand why some Gen Z are able to make wise investment decisions, while others are less than optimal. Thus, this study emphasizes the role of financial literacy, mental accounting, and risk perception with self-efficacy as a moderation variable. The objectives of this research are as follows:

a. Analyzing the influence of financial literacy on investment decisions among Gen Z in West Kalimantan.
b. Analyzing the influence of mental accounting on investment decisions among Gen Z in West Kalimantan.
c. Analyzing the influence of risk perception on investment decisions among Gen Z in West Kalimantan.
d. Analyzes the role of self-efficacy in moderating the relationship between financial literacy and investment decisions among Gen Z in West Kalimantan.
e. Analyzes the role of self-efficacy in moderating the relationship between mental accounting and investment decisions among Gen Z in West Kalimantan.
f. Analyzes the role of self-efficacy in moderating the relationship between risk perception and investment decisions among Gen Z in West Kalimantan.

2. Research Methods

This study uses a quantitative method with a survey. The sample was determined by purposive sampling of 200 Gen Z respondents in West Kalimantan who have

experience or interest in investing. Data was collected through a Likert scale questionnaire and analyzed using Partial Least Square-Structural Equation Modeling (PLSSEM) with the help of SmartPLS 4.0. The following are the criteria used to select the sample in this study:

a. Individuals who fall into the category of Generation Z (born between 1997-2012) with a minimum age of 17 years.
b. Domiciled in the West Kalimantan region.
c. Have a basic understanding of investment and finance.
d. Have or are doing investment activities in the last 10 years.

3. Research Results

The results of the hypothesis testing showed:

- H1 shows that financial literacy has a significant positive effect on investment decisions with a statistical value of 2.034 (>1.96) and a p-value of 0.042 (<0.05).
- H2 shows that mental accounting has a significant positive effect on investment decisions with a statistical value of 2.279 (>1.96) and a p-value of 0.023 (<0.05).
- H3 shows that risk perception has a significant positive effect on investment decisions with a statistical value of 3.013 (>1.96) and a p-value of 0.003 (<0.05).
- H4 showed that self-efficacy does not significantly moderate the relationship between financial literacy and investment decisions with a statistical value of 0.687 (>1.96) and a p-value of 0.492 (<0.05).
- H5 showed that self-efficacy does not significantly moderate the relationship between mental accounting and investment decisions with a statistical value of 1.129 (>1.96) and a p-value of 0.259 (<0.05).
- H6 showed that self-efficacy significantly moderates the relationship between risk perception and investment decisions with a statistical value of 1.994 (>1.96) and a p-value of 0.046 (<0.05).

4. Conclusions and Recommendations

Conclusion:

1. The study involved 205 Gen Z respondents in West Kalimantan, the majority aged 21–24 years (52.7% female), with a high school and s1 education, earning less than IDR 2,799,000, and investing 1–2 times a year in stocks, gold, and mutual funds. Descriptive analysis shows that all variables are in the high category.

2. The results of the hypothesis test show that financial literacy, mental accounting, and risk perception have a significant positive effect on investment decisions.
3. The moderation test showed that self-efficacy only moderated significantly the relationship between risk perception and investment decisions ($t = 1.994$; $p = 0.046$).
4. Overall, financial literacy, accounting mentality, and risk perception influence Gen Z's investment decisions, while self-efficacy only plays a role in the relationship between risk perception, so increasing financial understanding needs to be accompanied by strengthening self-confidence in managing risk.

The recommendations of this study cover three main aspects:

1. For organizations, it is recommended to develop a comprehensive financial literacy program, not only transferring knowledge but also building self-efficacy through practice-based training such as investment simulation and digital portfolio management, as well as utilizing technology and social media to align with the character of Gen Z.
2. For Generation Z, it is necessary to increase awareness and understanding of personal finance, combine knowledge with confidence, learn from a variety of sources including direct experience and mentors, and familiarize themselves with risk management and a healthy accounting mindset.
3. For further research, it is encouraged to broaden respondent demographics by including other generations for cross-generational comparisons. Researchers may also explore new or less-studied psychological variables, after reviewing existing literature. A shorter timeframe (e.g., 3–6 months) is recommended for measuring financial behavior to reflect current trends more accurately. Additionally, employing dynamic methods like longitudinal studies or field experiments can provide deeper insights. To enhance generalizability, future research should apply more varied approaches. Lastly, moderation variables such as self-efficacy should also be tested as direct predictors to better understand their role in influencing investment decisions.

TABLE OF CONTENTS

Page

SCRIPT ACCOUNTABILITY ii
ACKNOWLEDGEMENT iii
ABSTRAK v
ABSTRACT vi
RINGKASAN vii
SUMMARY x
TABLE OF CONTENTS xiii
LIST OF TABLES xv
LIST OF FIGURES xvi

CHAPTER I INTRODUCTION 1
1.1 Background 1
1.2 Research Problem 5
1.2.1 Research Statement 5
1.2.2 Research Question 5
1.3 Research Objective 6
1.4 Research Contribution 6
1.4.1 Theoretical 6
1.4.2 Practical 7
1.5 Research Contextual 8
CHAPTER II LITERATURE REVIEW 9
2.1 Theoretical Basis 9
2.3.1 Investment Decisions 9
2.3.2 Financial Literacy 11
2.3.3 Mental Accounting 12
2.3.4 Risk Perception 14
2.3.5 Self-Efficacy as a Moderating Variable 16
2.2 Empirical Review 18
2.3 Research Hypothesis and Conceptual Framework 24
2.3.1 Research Hypotheses 24
2.3.2 Conceptual Framework 28
CHAPTER III RESEARCH METHOD 30
3.1 Research Design 30
3.2 Place and Time of Research 30
3.3 Data 31
3.3.1 Primary Data 31
3.3.2 Secondary Data 31

3.4 Population and Sample....32
3.4.1 Population....32
3.4.2 Sample....32
3.5 Research Variable....34
3.5.1 Dependent Variable....34
3.5.2 Independent Variable....34
3.5.3 Moderating Variable....35
3.6 Analysis Method....36
3.6.1 Descriptive Statistics Analysis....37
3.6.2 Partial Least Square-Structural Equation Modelling (PLS-SEM)....37
CHAPTER IV RESULTS AND DISCUSSIONS....45
4.1 Research Results....45
4.1.1 Respondent Characteristics....45
4.1.2 Descriptive Analysis of Research Variable....50
4.1.3 PLS-SEM Analysis....55
4.2 Discussion....65
CHAPTER V CONCLUSION AND RECOMMENDATION....70
5.1 Conclusion....70
5.2 Recommendation....71
5.2.1 For Organization....71
5.2.2 For Generation Z....71
5.2.3 For Future Research....72

REFERENCES....i
APPENDIXES....viii

LIST OF TABLES

Page

Table 2.1 Empirical Review 18
Table 3.1 Likert Instrument Scale 32
Table 3.2 Operationalization of Variables 35
Table 3.3 Score Range 37
Table 4. 1 Respondent Data Based on Gender 45
Table 4. 2 Respondent Data Based on Age 46
Table 4. 3 Respondent Data Based on Last Education 47
Table 4. 4 Respondent Data Based on Occupation 47
Table 4. 5 Respondent Data Based on Monthly Income 48
Table 4. 6 Respondent Data Based on Source of Income 48
Table 4. 7 Respondent Data Based on Frequency of Investment in the last 1 year 49
Table 4. 8 Respondent Data Based on Investment Options 50
Table 4. 9 Score Range 50
Table 4. 10 Respondent Response to Financial Literacy 51
Table 4. 11 Respondent Response to Mental Accounting 52
Table 4. 12 Respondent Response to Risk Perception 53
Table 4. 13 Respondent Response to Investment Decisions 54
Table 4. 14 Respondent Response to Self-Efficacy 55
Table 4. 15 Cronbach's Alpha 57
Table 4. 16 Composite Reliability 57
Table 4. 17 Outer Loading 58
Table 4. 18 Average Variance Extraced (AVE) 59
Table 4. 19 Fornell-Lacker Criterion 60
Table 4. 20 R-Square 60
Table 4. 21 Effect Size (f2) 61
Table 4. 22 Blindfolding and Predictive Relevance (Q2) 61
Table 4. 23 Path Coefficients 62
Table 4. 24 Specific Indirect Effects 64

LIST OF FIGURES

Page

Figure 2.1 Conceptual Framework 29
Figure 4. 1 PLS-SEM Algorithm Result 56
Figure 4. 2 Bootstraping Result (Hypothesis Test) 62

CHAPTER I
INTRODUCTION

1.1 Background

The rapid growth of digital technology has increased access to information and investment opportunities for various groups, including Generation Z in West Kalimantan. Generation Z, born between 1997 and 2012 (currently 13-28 years old), is a generation that grew up in the internet era with constant access to technology, earning them the nicknames "Gen Tech" and "digital native generation" (Diaconu & Dutu, 2020). According to the (Badan Pusat Statistik, 2024) census statistics, West Kalimantan has 1,521,612 Gen Z individuals, representing around 28% of the province's total population of 5,414,390.

Local data from Otoritas Jasa Keuangan (2023) shows a consistent upward trend in the number of individual investors in West Kalimantan. In the first semester of 2022, there were 58,808 capital market investors in the region, and this figure continues to increase to 70,935 in the first semester of 2023. The majority of these investors are between the ages of 18 and 30, which means they belong to Generation Z. This significant growth underscores the importance of learning how the group makes investment decisions, especially given the increasing ease of access through online investment platforms.

Although technology has made it simpler to access many financial instruments, not all of Generation Z have the basic financial literacy to make successful investment decisions. According to the Otoritas Jasa Keuangan (2024) National Survey on Financial Literacy and Inclusion (SNLIK), financial literacy in Indonesia for 15-17 years is 51.70%, and for 18-25 years is 70.19%. The data shows that, while the young adult Gen Z age group (18-25 years old) has passed the national benchmark of 60%, the teenage age group (15-17 years old) remains below the limit of 60%. The difference shows that most Generation Z, especially the younger generation, require further financial education in order to manage their finances and invest more sensibly, particularly considering their easy access to capital markets, cryptocurrencies, and peer-to-peer lending platforms. Without appropriate literacy,

consumers risk making illogical investment decisions that will have a negative impact on their financial well-being in the long run.

This study examines the roles of financial literacy, mental accounting, risk perception, and self-efficacy because these four factors represent both logical thinking and psychological influences that shape how people make financial decisions. Financial literacy provides individuals with the knowledge needed to manage money and investments wisely, while mental accounting and risk perception reflect how personal emotions and thought patterns can influence, and sometimes distort, those decisions. Self-efficacy adds another layer, referring to a person's confidence in their ability to apply that knowledge in real-life situations. Understanding how these variables work together is essential for explaining why some members of Generation Z are able to make smart investment choices, while others struggle. This is especially relevant in West Kalimantan, where many Gen Z individuals are increasingly engaging with digital financial tools.

Previous studies, such as Lusardi & Mitchell (2023) and Huston (2010), have shown that strong financial literacy leads to better financial planning and smarter investment behavior. With greater access to modern financial instruments, Generation Z in West Kalimantan needs both knowledge and confidence to match their investment strategies with their risk preferences, making these variables crucial for understanding their financial behavior.

Thaler (1999) concept of mental accounting is also crucial to understanding investing behavior, particularly how individuals categorize financial assets in specific mental categories that are frequently inconsistent with ideal financial principles. Recent research by Silva et al. (2023) analyzed the relevant research and found that mental accounting influences both financial management and the tendency for risk-taking in investment choices. For example, some people may be more ready to spend "extra" or "unexpected" funds on high-risk assets, but funds planned for essential requirements are less likely to be exposed to huge risks, even if such management is financially inefficient.

Risk perception is also important in investing decisions, as each individual's risk tolerance differs according to their level of financial education and experience.

Wendy (2024) discovered that risk perception can reduce the positive impact of financial literacy on investing choices, especially when individuals have a fear of potential losses. As a result, a person with outstanding financial literacy could still be limited by a negative view of risk, preventing them from making bold and potentially profitable investing decisions.

This research is even more important when considering the role of self-efficacy moderation, or an individual's belief in their capacity to make good decisions, especially among Generation Z in West Kalimantan. This group, known as the digital native generation, could possess various levels of self-efficacy, which impacts how much financial literacy, mental accounting, and risk perception influence their investing decisions. Bandura (1977) proposed the concept of self-efficacy, which may be defined as an individual's belief in his or her capacity to achieve particular goals. This concept has shown to be significant in a variety of decision-making situations, including the context of investing.

According to Khalid (2020), self-efficacy not only has a direct impact on investing behavior, but it can also act as a mediator between multiple factors that influence investment decisions. This indicates that people who have a high level of self-efficacy tend to have a higher level of confidence when it comes to making decisions on investments, managing risk, and planning for long-term financial decisions. They tend to have more control over their investing decisions as a result of this increased confidence, even when other factors such as financial literacy or risk perception impact the decision. However, the results of a lot of research disagree, particularly in terms of self-efficacy's influence on investing decisions. Srinivasan & Karthikeyan (2023) found that self-efficacy positively influences investment decisions, but Tristiyono et al. (2023) discovered that self-efficacy is not a significant predictor on the relationship between behavioral bias and investment decisions.

This research is important because it aims to contribute to the academic literature on the factors that impact investing decisions in Generation Z, which is currently in the productive age and has access to financial information through different digital platforms. From a practical point of view, this study has the

potential to bring fresh insights into the role of self-efficacy, which is currently unexplored in Generation Z, particularly in terms of increasing the effect of financial literacy on their investment decisions.

To support the importance of studying the influence of self-efficacy on the younger generation, particularly Generation Z, research by Srinivasan & Karthikeyan (2023) in India shows that self-efficacy has a significant positive influence on investment decisions. In addition, the study also highlights the role of behavioral bias as a mediator in the relationship between heuristics, prospect theory, herding effects, and investment decisions. These findings confirm that self-efficacy not only has a direct impact, but also plays a role in mediating the influence of behavioral bias on investment decisions, thus strengthening the argument for the need to focus on self-efficacy in the context of investing younger generations. However, research on the impact of self-efficacy on Generation Z in specific contexts, such as West Kalimantan, is relatively scarce. Addressing this gap has become essential considering how generational and cultural differences might impact the results of the study.

This study aims to fill this gap by investigating the impact of self-efficacy as a moderating variable in the relationship between financial literacy, mental accounting, risk perception, and investment decisions among Generation Z in West Kalimantan. This study is intended to bring fresh perspectives that are useful for numerous age groups and areas, as well as provide helpful recommendations for developing more successful financial education strategies for Generation Z.

Based on the inconsistency of previous research results and the importance of self-efficacy in investment decisions, the research project was titled "The Impact of Financial Literacy, Mental Accounting, and Risk Perception on Investment Decisions: Moderating Role of Self-Efficacy Among Generation Z in West Kalimantan." This study is expected to solve this contradiction by researching the role of self-efficacy in managing the relationship between financial literacy and investment decisions among Generation Z in West Kalimantan, a demographic and geographical area that is rarely studied. The study also intends to fill in gaps in

previous research by investigating how self-efficacy might help these individuals make more reasonable investing decisions.

1.2 Research Problem

1.2.1 Research Statement

Investment decisions among Generation Z in West Kalimantan are influenced by various factors, such as financial literacy, mental accounting, and risk perception. However, a lack of financial literacy, as well as a perception of risk and insufficient mental accounting actions, can lead to poor investment decisions, affecting long-term financial stability. Additionally, self-efficacy, defined as an individual's confidence in their ability to make financial decisions, is an unexplored aspect in this context.

1.2.2 Research Question

Based on this background, the formulation of the problem in this study is as follows:

1. How does financial literacy affect investment decisions among Gen Z in West Kalimantan?
2. How does mental accounting affect investment decisions among Gen Z in West Kalimantan?
3. How does risk perception affect investment decisions among Gen Z in West Kalimantan?
4. How does self-efficacy moderate the relationship between financial literacy and investment decisions among Gen Z in West Kalimantan?
5. How does self-efficacy moderate the relationship between mental accounting and investment decisions among Gen Z in West Kalimantan?
6. How does self-efficacy moderate the relationship between risk perception and investment decisions among Gen Z in West Kalimantan?

1.3 Research Objective

Based on the research questions that have been formulated, the objectives of the research on the factors that affect investment decisions in Generation Z in West Kalimantan are as follows:

a. Analyzing financial literacy's effect on investment decisions among Gen Z in West Kalimantan.
b. Analyzing mental accounting's effect on investment decisions among Gen Z in West Kalimantan.
c. Analyzing risk perception's effect on investment decisions among Gen Z in West Kalimantan.
d. Analyzing the role of self-efficacy in moderating the relationship between financial literacy and investment decisions among Gen Z in West Kalimantan.
e. Analyzing the role of self-efficacy in moderating the relationship between mental accounting and investment decisions among Gen Z in West Kalimantan.
f. Analyzing the role of self-efficacy in moderating the relationship between risk perception and investment decisions among Gen Z in West Kalimantan.

1.4 Research Contribution

This research is expected to be useful for various parties in understanding the influence of financial literacy, mental accounting, and risk perception on investment decisions with self-efficacy as a moderation variable in Generation Z in West Kalimantan. The implementation of this research has the following theoretical and practical contributions:

1.4.1 Theoretical

Theoretically, this research is expected to make a significant contribution to the development of financial behavior theory, especially related to financial literacy, mental accounting, and risk perception in investment decision-making. In this context, previous research has shown that financial literacy can influence the way individuals make investment decisions, but the role of psychological variables such as self-efficacy in strengthening or weakening these relationships needs further exploration. By including self-efficacy as a moderation variable, this study

seeks to identify psychological factors that have the potential to influence the impact of financial literacy, mental accounting, and risk perception on investment decisions, particularly among Generation Z, an age group with different financial behaviors.

Additionally, this study also aims to improve the investment decision-making theory model by providing a new perspective on relevant psychological factors. The study's findings are likely to act as the foundation for future research that will explore more into the psychological elements of investing decisions, particularly among the younger generation, which is overloaded with information and digital investment choices. The focus on Generation Z in West Kalimantan, in specific, is expected to provide a deeper understanding of investment decision-making in a specific social and economic environment, as well as pave the way for new research that highlights previously unexplored regions or groups of people.

1.4.2 Practical

1. For Authors

The practical contribution of this research to the author is as follows:

- Qualify for a bachelor's degree.
- Exploring and applying research results in the financial sector.
- Develop analytical skills and experience in investment and financial behavior.

2. For Educational Institutions and Local Governments

The practical contributions of this research to educational institutions and local governments are as follows:

- To be an information medium for educational institutions to design financial literacy programs that follow the characteristics and needs of Generation Z.
- Providing a basis for local governments to develop policies that support the improvement of financial literacy among the younger generation.

3. For the Community and Financial Practitioners

The practical contributions of this research to society, especially Generation Z,

are as follows:

- Providing better insight into the importance of financial literacy, risk understanding, and healthy mental accounting management in investment decision-making.
- Provide financial practitioners with the knowledge to develop a more effective approach to educating young potential investors, so that they have positive confidence (self-efficacy) in making rational and sustainable investment decisions.

1.5 Research Contextual

The object of this research is Generation Z which is domiciled in West Kalimantan, a province in Indonesia that has a unique demographic and economic development. Generation Z, identified as an age group born between 1997 and 2012, is a generation that grew up in the era of rapid digitalization and information technology. In West Kalimantan, this generation is exposed to a variety of investment opportunities that are growing, both through traditional financial products such as stocks, mutual funds, and new digital instruments such as cryptocurrencies and peer-to-peer lending platforms.

With easier access to technology, Generation Z in West Kalimantan has the potential to be involved in more active investment activities than the previous generation. However, due to a lack of expertise and varying levels of financial literacy, this age group has a tendency to making poor decisions. This situation makes Generation Z in West Kalimantan an interesting demographic to study, particularly in terms of how financial literacy, mental accounting, and risk perception influence their investing decisions.

Moreover, West Kalimantan as an area of research provides a unique setting, as it is one of the locations outside of Java where access to financial education and modern financial services may be limited. Therefore, this study aims to provide a more detailed picture of the dynamics of investment decisions among Generation Z in this region, as well as the factors that must be focused on in their decision-making.