



Revealing Gen Z's Interest in Sharia Investment in The Capital Market

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ABSTRACT

Introduction: This study investigates the influence of financial literacy, income, and technology on Generation Z's interest in investing in the Islamic capital market. The research addresses the growing importance of understanding the factors that encourage young individuals to participate in sharia-compliant investments, aiming to support the development of the Islamic financial market in Indonesia.

Methods: The study employed a quantitative research method, collecting data through questionnaires distributed to 60 respondents using a saturated sampling technique. The data were analyzed to determine the relationship between the variables and Generation Z's investment interest.

Results: The findings reveal that financial literacy and access to technology significantly affect Generation Z's interest in Islamic investments, while income has a relatively minor influence. These results highlight the critical role of knowledge and technology in shaping investment behavior among young individuals.

Conclusion and suggestion: To attract more young investors to the Islamic capital market, efforts should focus on enhancing financial literacy through targeted education and providing accessible, user-friendly technological tools. This study contributes to the literature by examining the unique context of Islamic investment among Indonesia's younger generation and offers actionable insights for financial institutions, policymakers, and educators to foster sharia-compliant investment practices.

Keywords: Financial Literacy, Income, Technology, Investment Interest, Generation Z

Paper type: Literature Review

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A. INTRODUCTION

The capital market is a place where investors who have funds meet companies that need funds, and transactions are conducted through securities trading. The presence of the capital market has a significant impact on individuals and companies. To fulfill the need for investments that are in accordance with sharia principles, Islamic capital markets have developed. The Islamic capital market provides an opportunity for Muslims to invest in accordance with sharia principles regulated in the Capital Market Law. This provides Muslim investors with a sense of security and confidence that their transactions are halal and in accordance with sharia principles (Oktavianingsih, Mursalin, et al., 2023).

The capital market is one of the significant investment components in a country's economic structure. Through investment in the capital market, individuals can earn substantial financial returns and contribute to economic growth. The capital market is a place where investors who have funds meet companies that need funds, and transactions are carried out through securities trading. The presence of the capital market has a significant impact on individuals and companies. To fulfill the need for investments that comply with sharia principles, Islamic capital markets have developed. The Islamic capital market provides an opportunity for Muslims to invest in accordance with sharia principles regulated in the Capital Market Law. This provides Muslim investors with a sense of security and confidence that their transactions are halal and in accordance with sharia principles (Oktavianingsih, Murasalin, et al., 2023).

In Indonesia, investment in the capital market is experiencing rapid growth, especially with easier access through the development of digital technology. This trend is evident in the increasing interest in investing among the younger generation, especially Gen Z, which now dominates the profile of investors in the Indonesian capital market. Based on data from PT Kustodian Sentral Efek Indonesia (KSEI) in March 2023, it was recorded that the younger generation under the age of 40 dominated 80.93% of the number of capital market investors in Indonesia, with an asset value that reached Rp158.45 trillion (KSEI, 2022). This shows that investing is increasingly relevant in the financial lives of young people, who are oriented towards technological development and better financial management.

Generation Z is the generation born between 1997 and 2012 and currently aged 12 to 27, known as the net generation or internet generation. Generation Z, also known as Gen Z, grew up with the rise of technology, so they are used to utilizing it to make their lives easier. Because of this, they tend to be proficient in using technology, adaptable to new developments, and can apply it in the workplace, such as in digital investment (Novia et al., 2023).

Technology influences Gen Z's accessibility and engagement in sharia investment by providing easy access to information and transactions digitally, which is very much in line with the characteristics of this generation who are familiar with technological devices and the internet. Application-based investment platforms or online trading systems allow Gen Z to conduct transactions anytime and anywhere, without having to be physically present at the Stock Exchange. Technology also accelerates the investment learning process through online educational resources, tutorials, and real-time market news, so Gen Z can more quickly understand the opportunities and risks in sharia investment. This not only makes it easier for them to invest, but also encourages higher participation, as easy access and more transparent information makes them more comfortable and confident to engage in Islamic investments.

Although Generation Z's interest in investing in the Islamic capital market is increasing along with easy access to information and technological advancements, there are still various challenges that hinder their understanding of the concept of Islamic investment in accordance with Islamic principles. A study shows that investors aged 50 and above have better investment knowledge than younger investors. In addition, women also have a lower understanding of investment compared to men. Internal factors are also a determinant in young people's investment decision-making (Hartini & Asnaini, 2024). The growth of the Islamic capital market in Indonesia is still slow. The number of Islamic investors and

transaction value is much smaller than the conventional capital market. This is due to several factors, including the low level of Islamic financial literacy and the lack of public understanding of Islamic investment (Sukma, 2021). However, to increase Generation Z's participation in Islamic investment, strategic steps are needed, such as providing interactive financial literacy education, developing technology-based applications that facilitate transactions, and government policies that encourage Islamic financial inclusion. This research is expected to not only answer academic questions but also provide practical solutions for policy makers and Islamic financial institutions in attracting Generation Z's interest in investing in sharia.

According to a survey by the Financial Services Authority (OJK), Gen Z's financial literacy level is still relatively low, at only 44.04% (Laturette et al., 2021). Low Financial Literacy indicates that Generation Z's knowledge of savings and loans, insurance and investment is still low (Novia et al., 2023). This suggests that many young people may not have a sufficient understanding of Islamic investment, which emphasizes principles such as freedom from usury, gharar and maysir.

Meanwhile, research conducted by (Pangestika & Rusliati, 2019) which shows the results that financial literacy, financial efficacy, and student investment interest are in the good category. Simultaneously, financial literacy and efficacy have a significant effect of 85.3% on student investment interest. Research conducted by (Lara, 2022) Which shows the results that knowledge about investment has a significant effect, while risk preference has no significant effect on Gen Z's investment interest, capital market skills have the greatest influence on investment interest in the capital market. However, specific research examining the influence of financial literacy, income, and technology on Gen Z's interest in Islamic investment is still limited. Therefore, this study aims to thoroughly explore these factors in the context of Islamic investment. This research provides new insights for academics and practitioners to design more effective strategies in attracting Gen Z interest in Islamic investment in the capital market.

In addition to financial literacy factors, income aspects and ease of access to technology also have a significant influence on Gen Z's investment decisions. Most of this generation is still in the early stages of their career or education, so their income is limited. However, technological advancements provide easy access to information and allow them to invest through various digital platforms, which plays an important role in increasing their interest in investing (Muhammad Rais et al., 2023). On the other hand, although technology can be a factor in attracting them, there is still limited understanding of the direct impact of financial literacy, income, and technology on Islamic investment interest. Therefore, this study focuses on an in-depth analysis of the influence of financial literacy, income, and technology on Gen Z's Islamic investment interest in the capital market, in order to identify factors that can strengthen their interest in investing sharia.

Based on the background that has been described above, the problem formulation in this study is whether financial literacy, income, and technology significantly affect gen z's interest in sharia investment in the capital market?

B. THEORICAL STUDY

Sharia Investment

Investment means postponement of current consumption for future consumption. Everything that is done to increase the ability to create/add value to the usefulness of life is investment. Investment activities carried out by the community continuously will increase economic activity and employment opportunities, increase national income and increase the level of prosperity of the community. Investment is a commitment to a number of future benefits (Sobana, 2018). Meanwhile, according to Hutajulu, investment is the linking of resources in the long term to generate future profits (Nizar & Moh. Mukhsinin Syu'aibi, 2020). Investing funds in the real sector (land, gold, machinery or buildings) or financial assets (deposits, stocks and bonds), is a common activity (Paningrum, 2022). The purpose of sharia investment is to gain financial benefits while adhering to Islamic rules, so that investment activities are not only materially profitable but also in accordance with religious values. Examples of Islamic investment instruments include Islamic stocks, sukuk, and Islamic mutual funds (Dr. Andri Soemitra, 2009).

The difference between Islamic and conventional investment lies in the basic principles and mechanisms. Islamic investment is based on Islamic principles, such as the prohibition of usury, gharar, maisir and avoidance of haram and subhat elements (Aslikhah, 2017). In addition, Islamic investments emphasize partnership and fair risk management and are oriented towards activities that are halal and beneficial to society. Conventional investments, on the other hand, have no such restrictions and are more oriented towards maximum profit without considering certain religious ethical principles (Radian, Wibowo, 2020).

Interest

Interest is an internal component in individuals that greatly influences their actions. An individual will feel that he wants and even needs to do something or explore something if there is a sense of interest in him. Meanwhile, investment is defined as a commitment to a number of funds or other resources made today, with the aim of obtaining a number of benefits in the future (Huda & Nasution, 2007). Interest in Investing is a condition where a person has an interest in investing, it can be because the person learns about investment knowledge or attends seminars about investing in the capital market (Oktavianingsih, Murasalin, et al., 2023). One of the factors that influence interest in investing is the stimulation that comes from the social environment that suits his taste in the investment business so that someone will easily generate interest. There are several factors that influence the emergence of interest such as encouragement from within the individual, social motives, and emotional factors (Nur Indah Lestari et al., 2020).

Investment interest in the context of Generation Z is particularly relevant as this generation has grown up in a digital age that allows easy access to information and technology (Radian, Wibowo, 2020). Generation Z is known to have unique characteristics in investment decision-making, such as reliance on digital platforms and social media for information. They tend to be attracted to types of investments that are easy to understand, practical, and provide flexibility, such as digital gold, stocks through apps, or technology-based mutual funds (Aris Wahyu Mulyadi, 2024).

Financial Literacy

Financial literacy is knowledge about finance in the aspect of financial institutions and financial concepts as a whole, as well as the ability to utilize financial products and manage personal finances in order to make short-term and long-term decisions (Safryani et al., 2020). Financial literacy has 5 main points, namely knowledge of financial concepts, ability to communicate about financial concepts, ability to manage personal finances, ability to make financial decisions and confidence to make future financial planning (S & Aisyah, 2023). In the context of investment, good financial literacy can increase Generation Z's interest in investing, including in Islamic investment products. Knowledge of Islamic investment and its principles can influence their investment decisions (Muhammad Rais et al., 2023).

Financial literacy plays an important role in influencing one's investment behavior and decisions. A good knowledge of investments allows one to maximize opportunities and minimize the risk of loss. Financial literacy also helps in choosing an investment instrument that suits one's financial goals (Muntiah, 2021). Young people who have a good level of financial literacy tend to be more confident in investing, including in the Islamic capital market. In the context of Generation Z, financial literacy is essential to reduce risk and increase confidence in investing. A high level of literacy allows individuals to make wiser and more informed investment decisions (Lakatua et al., 2020). However, the level of financial literacy among Gen Z still needs to be improved, especially in terms of understanding Islamic financial instruments (Pangestika & Rusliati, 2019).

Research conducted by (Pangestika & Rusliati, 2019) revealed that financial literacy contributed 79.9% to student interest in investing in the capital market. In line with the findings of research conducted by (Radian, Wibowo, 2020) shows that financial literacy significantly affects investment interest. So generation Z who wants to invest in the capital market not only increases knowledge but also confidence in making investment decisions.

Income

Income is the amount of money that a person gets for the results of his efforts and performance. Basically, income is the result of a person's sacrifice in the form of material to fulfill his life needs by investing existing income sources through various types of investment in stocks, sukuk (bonds), deposits, gold, land, and various other types of investment (Radian, Wibowo, 2020). In addition, income is the result of periodic work performance (daily, weekly, monthly, and yearly) that can provide income (Muntiah, 2021). Income is an important factor that affects one's ability to invest. Generation Z with higher incomes tend to have more resources to invest.

Generation Z has different income characteristics than previous generations. Most of them earn their income from part-time jobs, small businesses, or support from family. Generation Z is more aware of the importance of investment despite having limited income. Impulsive consumption habits are often an obstacle in allocating income for investment. However, improved financial literacy and digital access have encouraged them to consider long-term investment as a priority (Aris Wahyu Mulyadi, 2024).

Research conducted by (Muntiah, 2021), shows that income contributes positively, but partially insignificant to capital market investment interest during a pandemic. This is different from research (Aris Wahyu Mulyadi, 2024) which states that income does not significantly affect the interest in investing in gold at Pegadaian for Generation Z, but the

investment knowledge factor makes a significant contribution. Based on the results of this study, the income variable needs to be reviewed again whether it affects Generation Z's interest in Islamic investment in the capital market.

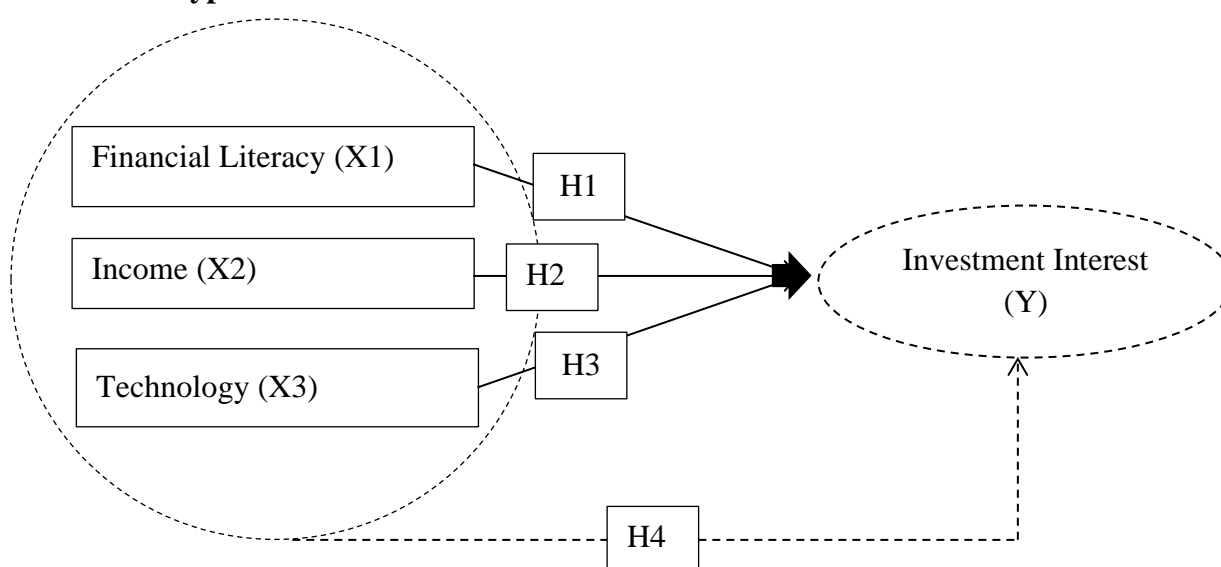
Technology

Information technology is the means and infrastructure (hardware, software, userware) systems and methods for obtaining, sending, processing, interpreting, storing, organizing and using data in a meaningful way. Therefore, information technology provides so much convenience in providing so much convenience in managing information in the sense of storing, retrieving and updating technology (Warsita, 2021). A person who grasps a technology will not miss any information. With today's technology, many investment companies have adopted an online trading system (OTS) which makes it easier to conduct transactions in the capital market (Rachmawati Annisaa Ramadhani et al., 2022).

Online trading system is a new way of buying and selling stocks, where investors only need to enter orders (Buy or Sell) via the internet, with real-time execution. Digital technology has become an important tool in investment, especially through the digitalization of the capital market that allows processes such as account opening, share purchase, and portfolio management to be faster and more efficient. Generation Z, as a generation that grew up in the digital era, feels comfortable using this technology platform for various activities, including investment. The easier access to Capital Market information is expected to increase the interest of young investors to invest in the capital market (Tri Cahya & Ayu Kusuma, 2019).

Research conducted by (Muhammad Rais et al., 2023), shows that partially digital technology, religiosity, and social media have a positive effect on interest in investing in Islamic stocks in generation Z. This is different from research (Berliana & Widjaja, 2022) which states that technological advances do not have a significant influence on student investment interest. Based on the results of this study, the technology variable needs to be re-examined whether it affects Generation Z's interest in Islamic investment in the capital market.

Research Hypothesis



Source : (Pangestika & Rusliati, 2019), (Muntiah, 2021), (Muhammad Rais et al., 2023)

Figure 1 Research Hypothesis

The hypotheses in this study are:

- H1: Financial literacy partially has a positive effect on Gen Z's interest in Islamic investment in the capital market.
- H2: Income partially has a positive effect on Gen Z's interest in Islamic investment in the capital market.
- H3: Technology partially has a positive effect on Gen Z's interest in Islamic investment in the capital market.
- H4: Financial Literacy, Income, and Technology simultaneously have a positive effect on Gen Z's interest in Islamic investment in the capital market.

C. METHODOLOGY

This research uses a quantitative approach, which is based on the positivism paradigm. This approach allows researchers to measure the relationship between variables using numerical data and statistical analysis (Sugiyono, 2019). This approach was chosen because it is in accordance with the research objectives, namely identifying the influence of independent variables (financial literacy, income, and technology) on the dependent variable (Islamic investment interest). The research population is 4th semester students of the Sharia Economics Study Program at the Faculty of Economics and Islamic Business, UIN Fatmawati Sukarno, Bengkulu, totaling 60 people. This population was chosen because they have received basic financial literacy, as well as exposure to information about investment through social media and the internet. The sample was taken using the saturated sampling method, in which all members of the population were sampled because the number was relatively small (Ashari et al., 2023).

Data in quantitative research is collected through primary data, namely questionnaires distributed online using Google Forms and sent via the Whatsapp Messenger application. The statements in the questionnaire were made using a 5-point Likert scale by assigning a value to each answer category, which ranged from Strongly Agree to Strongly Disagree (Kurniawati & Judisseno, 2022).

The collected data were analyzed using multiple linear regression analysis techniques to test the effect of independent variables (financial literacy, income, technology) on the dependent variable (interest in sharia investment). Before the main analysis, validity, reliability, normality, multicollinearity, and heteroscedasticity tests were conducted to ensure the validity of the data. The analysis was carried out using Eviews 12 statistical software, with interpretation of the results based on the t-test (partial effect), F-test (simultaneous effect), and coefficient of determination (R^2) to assess the extent to which the independent variables affect the dependent variable.

D. Result and Discussion

Table 1. Instrument Validity Test

Variable		r Count	r Table (5%)	Description
Financial Literacy (X1)	X1.1	0.473	0,254	<i>Valid</i>
	X1.2	0.525	0,254	<i>Valid</i>
	X1.3	0.613	0,254	<i>Valid</i>
	X1.4	0.586	0,254	<i>Valid</i>
	X1.5	0.597	0,254	<i>Valid</i>
	X1.6	0.552	0,254	<i>Valid</i>
	X1.7	0.548	0,254	<i>Valid</i>
	X1.8	0.342	0,254	<i>Valid</i>
	X1.9	0.688	0,254	<i>Valid</i>
	X1.10	0.576	0,254	<i>Valid</i>
	X1.11	0.445	0,254	<i>Valid</i>
	X1.12	0.548	0,254	<i>Valid</i>
	X1.13	0.715	0,254	<i>Valid</i>
	X1.14	0.613	0,254	<i>Valid</i>
	X1.15	0.751	0,254	<i>Valid</i>
	X1.16	0.513	0,254	<i>Valid</i>
	X1.17	0.587	0,254	<i>Valid</i>
	X1.18	0.619	0,254	<i>Valid</i>
	X1.19	0.661	0,254	<i>Valid</i>
	X1.20	0.655	0,254	<i>Valid</i>
	X1.21	0.409	0,254	<i>Valid</i>
	X1.22	0.543	0,254	<i>Valid</i>
	X1.23	0.537	0,254	<i>Valid</i>
	X1.24	0.338	0,254	<i>Valid</i>
	X1.25	0.554	0,254	<i>Valid</i>
Income (X2)	X2.1	0.718	0,254	<i>Valid</i>
	X2.2	0.741	0,254	<i>Valid</i>
	X2.3	0.801	0,254	<i>Valid</i>
	X2.4	0.717	0,254	<i>Valid</i>
	X2.5	0.815	0,254	<i>Valid</i>
	X2.6	0.752	0,254	<i>Valid</i>
	X2.7	0.729	0,254	<i>Valid</i>
	X2.8	0.635	0,254	<i>Valid</i>
Technology (X3)	X3.1	0.855	0,254	<i>Valid</i>
	X3.2	0.844	0,254	<i>Valid</i>
	X3.3	0.851	0,254	<i>Valid</i>
	X3.4	0.683	0,254	<i>Valid</i>
Interest (Y)	Y1.1	0.782	0,254	<i>Valid</i>
	Y1.2	0.881	0,254	<i>Valid</i>
	Y1.3	0.879	0,254	<i>Valid</i>
	Y1.4	0.882	0,254	<i>Valid</i>
	Y1.5	0.864	0,254	<i>Valid</i>
	Y1.6	0.892	0,254	<i>Valid</i>
	Y1.7	0.755	0,254	<i>Valid</i>
	Y1.8	0.597	0,254	<i>Valid</i>
	Y1.9	0.826	0,254	<i>Valid</i>
	Y1.10	0.754	0,254	<i>Valid</i>
	Y1.11	0.837	0,254	<i>Valid</i>

Source: Eviews Data Processing

Testing the validity test using pearson correlation, the data is said to be valid if the significant value is > 0.05 . Based on the output, it is known that the sig value. all research

instrument questions are equal to $> r$ table 0.05, so it can be concluded that all of these research instruments are valid..

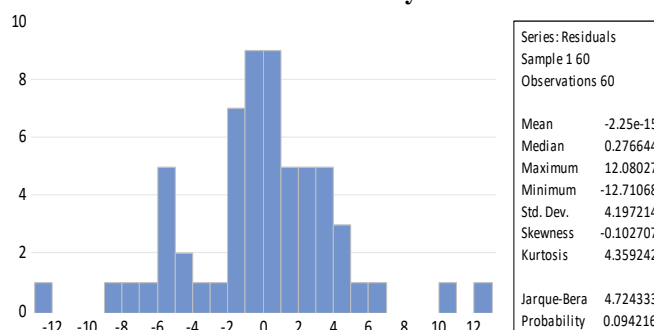
Table 2. Reliability test

Variable	Cronbach Alpha	Description
Financial Literacy (X1)	0,909	Reliabel
Income (X2)	0,877	Reliabel
Technology (X3)	0,872	Reliabel
Minat Investasi (Y)	0,948	Reliabel

Source: Eviews Data Processing

Table 2 above shows the results of the reliability test on the variables of financial literacy, income, and technology. Data is said to be reliable if the Cronbach Alpha value is > 0.60 . Based on the data above, it is known that the Cronbach alpha value for each variable is > 0.60 . So it can be concluded that all the variables of this study are reliable.

Table 3. Normality Test



Source: Eviews Data Processing

Table 3 of the normality test shows that the Probability Jarque-Bera value is 0.094 (> 0.05), so it can be concluded that the data is normally distributed.

Table 4. Heteroscedasticity Test

Heteroskedasticity Test : white

Null hypothesis : Homoskedasticity

F-statistic	1.958234	Prob. F(9.50)	0.0646
Obs *R-squared	15.63712	Prob. Chi-Square(9)	0.0749
Scaled explained SS	22.87925	Prob. Chi-Square(9)	0.0065

Source: Eviews Data Processing

Table 4 above shows the Probability Obs* R-Squared value of 0.0749 (> 0.05), so it can be concluded that each variable is free from heteroscedasticity.

Table 5. Multicollinearity Test

Variance Inflation Factors

Date: 06/21/24 Time: 13:05

Sample: 1 60

Included observations: 60

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	30.75284	99.41465	NA
X1	0.006496	208.0490	2.657509
X2	0.020125	56.48862	2.214333
X3	0.086363	83.77917	1.344670

Source: Eviews Data Processing

Table 5 above, it is known that the tolerance limit is > 0.10 and the VIF value of the Independent Variable is < 10.00 , so it can be concluded that the multicollinearity test assumptions have been met or are free from multicollinearity tests.

Table 6. Multiple Linear Regression

Dependent Variable: Y

Method: Least Squares

Date: 06/21/21 Time: 13:23

Sample: 1 60

Included observations: 60

Variable	coefficient	Std.Error	t-Statistic	Prob.
C	6.412105	5.545525	1.156267	0.2525
X1	0.289726	0.080596	3.594805	0.0007
X2	0.216154	0.141862	1.523691	0.1332
X3	0.867988	0.293876	2.953583	0.0046
R-squared	0.611360	Mean dependent var	43.40000	
Adjusted R-squared	0.590540	S.D. dependent var	6.732668	
S.E of regression	4.308172	Akaike info criterion	5.823245	
Sum squared resid	1039.380	Schwarz criterion	5.962868	
Log likelihood	170.6974	Hannan-Quinn criter.	5.877859	
F-statistic	29.36404	Durbin-Watson stat	1.752189	
Prob(F-statistic)	0.000000			

Source: Eviews Data Processing

Table 6 above shows the equation $Y = -6.412 + 0.289X_1 + 0.216X_2 + 0.867X_3$. From this equation it can be seen that:

1. The constant value (α) of the multiple linear regression equation obtained is negative, amounting to -6,412 one-units, which means that if the variables of financial literacy (X1), income (X2), and technology (X3) are equal to zero (0), the interest of gen Z in Islamic investment in the capital market has decreased by 6,412 units. This negative constant indicates that without these three factors, interest in Islamic investment will be very low or even close to zero.
2. The regression coefficient (β_1) of 0.289 one-unit means that if the financial literacy variable (X1) increases by 1 unit, then the interest in investing (Y) will increase by 0.289 units, assuming that the other independent variables of this model are fixed. This means that if the higher the level of financial literacy, the interest of gen Z in sharia investment in the capital market will increase.
3. The regression coefficient (β_2) of 0.216 one-unit means that if the income variable (X2) increases by 1 unit, then interest in investing (Y) will increase by 0.216 units, assuming that the other independent variables of this model are fixed. This means that the higher the income, the interest of gen Z in sharia investment in the capital market will increase.
4. The regression coefficient (β_3) of 0.867 one-unit means that if the technology variable (X3) increases by 1 unit, then interest in investing (Y) will increase by 0.867 units, assuming that the other independent variables of this model are constant. This means that technology plays an important role in encouraging Gen Z's interest in sharia investment.

T Test

Based on the T Test Results in Table 6, it can be seen that the Financial Literacy Variable (X1) has a t-statistic value of 3.594 with a prob. (significant) value of 0.0007 (<0.05), it can be concluded that the Financial Literacy variable has a significant effect on the Interest variable (Y) and the hypothesis is accepted. The Income variable (X2) has a t-statistic value of 1.523 with a prob. (Significant) value of 0.1332 (>0.05), it can be concluded that the Income variable has no significant effect on the Interest variable (Y) and the hypothesis is rejected. The Technology variable (X3) has a t-statistic value of 2.953 with a prob. (significant) value of 0.0046 (<0.05), it can be concluded that the Technology variable has a significant effect on the Interest variable and the hypothesis is accepted.

F Test

Based on the F Test Results in Table 6, it can be seen that the F-statistic value is 29,364 with a prob value. (F-statistic) is 0.00 (<0.05), so it can be concluded that the variables Financial Literacy, Income, and Technology have a significant effect simultaneously (at the same time) on the Gen Z Interest Variable in Sharia Investment in the Capital Market.

Coefficient Of Determination

In table 6, it is known that the coefficient of determination (adjusted R square) is 0.590. This concludes that the variables Financial Literacy, Income and Technology on Gen Z's investment interest are 59% while the remaining 41% is influenced by other variables outside this research.

Discussion

Based on the results of regression calculations, it shows that Financial Literacy has a significant influence on the interest of Gen Z, especially fourth semester students of the sharia economics study program in sharia investment in the capital market. This can be seen from the regression coefficient value of 0.289 which has a positive effect and the probability value is $0.00 < 0.05$. This shows that there is an influence of financial literacy on Gen Z's interest in sharia investment in the capital market. In another sense, financial literacy is knowledge, skills and beliefs that influence attitudes and behavior to improve the quality of decision making and manage personal finances well. Therefore, financial literacy is essential to help individuals make informed financial decisions and improve their quality of life. This research is in line with research conducted by Septiani Juniarti et al. Which concludes that Financial Literacy has a significant influence on Generation Z's interest in investing in shares (Juniarti et al., 2024).

The implication of these results is that sharia financial institutions and policy makers need to pay more attention to increasing financial literacy among Gen Z. Financial literacy education programs that are comprehensive and easily accessible to the younger generation can encourage increased interest in sharia investment, as well as develop the capital market. sharia in Indonesia. In addition, for educational institutions, these results emphasize the importance of integrating financial literacy and sharia investment material in the sharia economics curriculum so that students are ready to face the world of finance independently and wisely. The original contribution of this research lies in its specific focus on the relationship between financial literacy and Islamic investment interest in Gen Z, which has previously rarely been studied in depth. Apart from that, this research also provides findings that financial literacy is one of the main pulling factors for Gen Z to participate in sharia

investment, regardless of income factor. These results broaden insights in the sharia investment literature, especially in the Indonesian context, and can be a reference for future research regarding the importance of financial literacy in the investment decisions of the younger generation.

Further Findings Based on the results of the regression test, it shows that income has a significant effect on the interest of Gen Z, especially fourth semester students of the sharia economics study program in sharia investment in the capital market. This can be seen from the regression coefficient value of 0.216 which has a positive effect and the probability value of $0.133 > 0.05$, which means there is no influence of income on the interest of Gen Z, especially fourth semester students of the sharia economics study program in sharia investment in the capital market. This research is in line with research conducted by Aris Wahyu Mulyadi and Ari Susanti which concluded that income has no significant effect on interest in investing in gold savings among Gen Z (Aris Wahyu Mulyadi, 2024). In another sense, these results indicate that income level is not the main determining factor in influencing Gen Z's interest in investing in the capital market. Other factors such as financial literacy, technology, and other things outside of this research may be more influential in influencing their investment decisions. Therefore, income cannot be used as the main indicator in predicting Gen Z's interest in investing in the capital market.

Further findings: Based on the results of the regression test, it shows that technology has a significant effect on Gen Z's interest, especially fourth semester students of the sharia economics study program, in sharia investment in the capital market. This can be seen from the regression coefficient value of 0.867 which has a positive effect and the probability value is $0.00 < 0.05$. This shows that there is an influence of technology on Gen Z's interest in sharia investment in the capital market. Information technology plays an important role in facilitating access to information and communication, as well as influencing individual behavior and decisions. In another sense, information technology makes it easier for Gen Z to access information about sharia investment and the capital market, and allows them to carry out transactions and monitor investments online. Therefore, information technology can increase Gen Z's awareness and interest in investing in the capital market, as well as influence their investment decisions. These results also show that information technology can be a determining factor in influencing Gen Z's interest in investing in the capital market. This research is in line with research conducted by Muhammad Rais et al. which concludes that digital technology has a significant influence on the interest in investing in sharia shares among Generation Z (Muhammad Rais et al., 2023).

Further findings based on the results of regression calculations show that Financial Literacy, Income, and Technology together have a significant effect on Gen Z's interest in sharia investment in the capital market. This is shown from the results of multiple regression analysis obtained from the F test results which show that the probability value is 0.00 (<0.05). In the coefficient of determination test, a value of 59% was obtained, indicating that financial literacy, income and technology together influence Gen Z's interest in sharia investment in the capital market. Meanwhile, the remaining 41% was influenced by other factors that were not examined. This research shows that knowledge about financial literacy, income and technology greatly influences the younger generation's interest in investing. To make the younger generation more interested in investing, we need to improve their

understanding of finance, increase their income and ensure they have easy access to technology. Apart from the factors above, there are still other things that need to be researched to fully understand the younger generation's interest in investing.

E. CONCLUSION

Based on the results of this study, financial literacy and technology are shown to have a significant effect on Gen Z's Islamic investment interest in the capital market, while income does not show a significant effect. The implications of these results provide guidance for policymakers to strengthen financial literacy programs among the younger generation and improve the accessibility of Islamic investment technology to encourage their participation in the capital market. For the public, especially the younger generation, better financial literacy is expected to increase awareness and readiness to make investments that are in accordance with sharia principles. In addition, these results may encourage companies or Islamic financial institutions to improve and develop investment platforms that are user-friendly and can be easily accessed by the digital generation. The limitation of this study lies in the scope of the sample which only includes students of the Islamic economics study program at one institution, so further studies are recommended to involve a wider Gen Z population to gain a more comprehensive understanding.

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