Determinant of Stock Investment Intention on Young Generation

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Abstract: Determinant of Stock Investment Intention on Young Generation in Indonesia

The young generation is a generation that has a major contribution to development in Indonesia. Malang City was chosen as the object of this research because the level of financial literacy and inclusion in Malang City has high rates. This study aims to determine whether financial literacy and inclusion affect the investment intention of young generation stocks in Malang City. This research is the research sample which is the young generation of Malang City with the unique characteristics of generations Y and Z, and the influence of financial literacy and financial inclusion on investment intentions, either partially or simultaneously, is analyzed. Researchers also studied fraudulent investments experienced by the younger generation of Malang city, even though it is a city with good financial literacy in Indonesia. This study used primary data with descriptive quantitative methods and analyzed using multiple linear regression analysis. The results of this study indicate that financial literacy and inclusion have a positive and significant effect on stock investment intentions of the young generation in Malang City. This research is expected to contribute to improving investment policy, especially stock investment in Malang City. So that stock investment in Malang City can have a positive influence on increasing the income of the people of Malang City in a sustainable manner. It is hoped that with this research, young generation investors can seek more insight and information regarding the type of asset they will choose before deciding to invest so that they do not regret and are not afraid when deciding to invest in risky assets.

Keywords: Stock Investment; Young Generation; Financial Literacy; Financial Inclusion

INTRODUCTION

Investment is one of the most important things that people can do because it can be useful in the future and can help the government in improving real sector development (Saraswati, 2022). The benefits of investment are that it can help improve welfare, as an indicator of economic development, as an asset for a good future, and can provide a steady income (Burhanudin et al., 2021); multiply wealth or even protect wealth from external factors such as inflation and can also become long-term income (Aji, 2021).

Intention according to Wiyanti & Untoro (2016) is a person's desire to do something. Investment is placing funds in the present with the hope of getting a profit in the future (Fridana & Asandimitra, 2020). Investment intention is the intention or desire that a person has to invest, namely placing funds in the hope of making a profit in the future. Various factors influence a person's decision to invest. Among the factors that influence investment decisions are financial literacy, overconfidence, herding, risk tolerance, and risk perception (Fridana & Asandimitra, 2020); financial literacy, investment knowledge, and Perceived Usefulness (Wicaksono, 2022); financial literacy and financial inclusion (Sutejo, 2021). This research will examine two factors that are thought to influence stock investment intentions, namely financial literacy and financial inclusion.

The condition of financial literacy and financial inclusion in Indonesia in 2022 is shown by the results of the National Survey of Financial Literacy and Inclusion (SNLIK). SNLIK 2022 shows that the financial literacy index of Indonesian society is 49.68 percent, up from only 38.03% in 2019. Meanwhile, the Financial Inclusion Index in 2022 reached 85.10%, up from the previous SNLIK period in 2019 which was 76.19% (Financial Services Authority, 2022). The very rapid growth of investors should be balanced with good financial knowledge so that potential investors know the opportunities and risks that may arise when investing in shares on the Indonesian Stock Exchange (Gunanti & Mahyuni, 2022). Financial literacy is an individual's comprehensive understanding of personal and family financial management, as well as full understanding and confidence in the decisions taken regarding individual finances (Rapih, 2016). Financial literacy, financial basics, and general investment knowledge are a combination of financial literacy (Ladamay et al., 2021).

The research suggests that financial inclusion is a key factor influencing stock investment intentions. Financial inclusion, especially the ability to access financial services, products, and institutions that suit the capacity and needs of society in improving welfare (Saraswati, 2022). Technology certainly has a big influence on the economic and financial

sectors, because it can make it easier for people to access financial services. Especially among people belonging to Generation Z who are very responsive and follow technological developments. The development of inclusive finance is effective in encouraging community investment, encouraging increased household wealth accumulation, and influencing population happiness through financial behavior and personal wealth (Xu & Sun, 2022), digital finance not only encourages more residents to invest in financial assets (Shen et al., 2022). This increase in the number of investors will have an impact on the increase in investment in Indonesia.

In 2022 Indonesia will experience an increase in the number of capital market investors. The number of investors in the Indonesian capital market increased by 37.5% on 28 December 2022 to 10.3 million investors from 7.48 million investors at the end of December 2021 (KSEI, 2022). Apart from the increase in the number of investors in Indonesia, there has been another increase, namely share ownership which is currently dominated by domestic investors, reaching 59.21 percent and the rest is foreign ownership (Gunanti & Mahyuni, 2022). Malang City has experienced an increase in the number of investors since 2020. OJK data shows that the number of capital market investors in the seven work areas of the Malang OJK Office continues to increase from 2020 with the number of stock investors being 24,349, in 2021 increasing 47,390, and in 2022 experienced an increase with number of stock investors 68,357 (Financial Services Authority, 2022). September 2022 data shows the concentration of investors, the majority of whom buy and sell shares in the city of Malang, with total share trading reaching IDR 2,836.55 billion or 82.78% of the total share trading in seven districts/cities in the working area of OJK Malang (Financial Services Authority, 2023). This increase in the number of investors is accompanied by increased activity of new investors in stock trading, especially Generation Z. This can be seen from the percentage of 60% of total investors, namely people under 30 years of age (Financial Services Authority, 2023).

Generation Y and Generation Z are generations who are very digital technology literate, communicative, and multitasking (Prasasti & Prakoso, 2019). The facilitated conditions and level of understanding in using this technology means that Generation Z can easily use digital technology to support investment activities. One of the factors that can trigger a person's interest and desire to invest is the ease of accessing the platform used for investing (Dianty & Hakim, 2022). Generations Y and Z are considered to be generations that easily adapt to changing of era (Putra, 2016); very creative (Muttaqiyathun & Nurmaya, 2021), and dare to

take risks (Nisa et al., 2020). Based on the unique character of generations Y and Z, generations Y and Z may have a big contribution to stock transactions in Malang City. However, not always being technologically literate will guarantee safety from fraudulent investments. According to the official cimb niaga website, fake investment is an investment where individuals withdraw a certain amount of money to invest in a product that does not exist. 'Bodong' can mean that the company is fake the products offered are fake or both are fake (Angga Primantari & Sarna, 2014). Reporting from kompas.com throughout 2022, the Indonesian National Police's Criminal Investigation Agency (Bareskrim) handled several cases of fraudulent investments under the guise of trading robots carried out by several influencers in Indonesia. The total loss recorded from 748 victims was IDR 673,138,093,000. Thousands of victims of fraudulent trading robot investments with the suspect Wahyu Kenzo, one of the businessmen from Malang City who was the victim, suffered losses of 23 billion.

Technological developments have an impact on easy access to financial information, making financial literacy easier to learn. Financial inclusion is access for every person or business to be able to take advantage of financial products or services. Technology that continues to develop has an impact on the economic and financial sectors because it can make it easier for people to access financial services. Based on the description above, it is suspected that financial literacy and inclusion are determinants of stock investment intentions. Internet technology makes people, especially Generation Z, look for information in cyberspace, including about finances. Digital financial inclusion and knowledge about finance will encourage more citizens to invest in shares.

Investment is one of the factors that influence the economic growth and development of a country (Kurniawati et al., 2022). Economic growth is an activity in the economy that increases product and service costs provided by the community and increases community welfare (Suprapto et al., 2022). It is assumed that private and public investment in the field of resources or human capital can create external economies (positive externalities) and spur productivity (Habib, 2020). Based on data from the OJK, it shows that in 2020 the volume of share transactions in Indonesia was 923,352.77 million, and in 2021 the volume of share transactions reached 942,991.73 million. In January 2023, the volume of share transactions reached 639,930.01 million (Financial Services Authority, 2023). The increase in share transaction volume will encourage economic recovery.

Financial literacy can prevent people from becoming victims of fraudulent investment crimes, where someone invests capital, but the funds disappear along with the perpetrator who also disappears (Firdausi, 2018). Fraudulent investment is also called unofficial

investment or illegal investment (Hermawanti et al., 2022). The low level of public financial literacy and the proliferation of websites that are easily accessed by the public can be misused by investment criminals.

There has been previous research that examined factors or aspects that influence investment intentions or interest in investing in shares. Such as research conducted by Sutejo (2021) and research by Fridana & Asandimitra (2020) which shows that financial literacy, overconfidence, herding, risk tolerance, and risk perception have a positive effect on investment decisions. Research by Wicaksono (2022) shows that financial literacy, investment knowledge, and technology acceptance models influence investment intentions in the capital market. Manurung et al. (2018) show that the higher a person's financial literacy, the greater their investment interest. Research conducted by Arora & Chakraborty (2023) proves that financial literacy influences investment decisions and research by Ahmad & Shah (2022) shows that financial literacy influences increased investment. Different things are shown by research by Viana et al. (2022); Kasoga (2021); and Senda et al. (2020) show that financial literacy does not affect investment decisions. Research by Perangin-angin et al. (2022) shows that financial literacy & inclusion do not have a significant effect on investment behavior.

Gap research and novelty in this research is the research sample which is the young generation of Malang City with the unique characteristics of generations Y and Z, and the influence of financial literacy and financial inclusion on investment intentions, either partially or simultaneously, is analyzed. Researchers also studied fraudulent investments experienced by the younger generation of Malang city, even though it is a city with good financial literacy in Indonesia. This research is expected to be able to determine the influence of financial literacy and financial inclusion as determinants of share investment intentions of generations Y and Z in Malang City. Interested parties can use the results of this research to increase investment interest among the younger generation, while preventing citizens from being deceived by fraudulent investments.

Based on the description above, it can be seen that currently many of the young generation in Malang City are active in the capital market by becoming investors. So the question that arises is what determines young generation stock investment intentions in Malang City, so it is necessary to study the extent to which financial literacy and financial inclusion influence young generation stock investment intentions in Malang City. This research is expected to be able to analyze the influence of financial literacy and financial inclusion as determinants of share investment intentions for Generation Z in Malang City.

LITERATURE REVIEW

According to Nanga in (Lubis & Zulam, 2016), investment is a form of company expenditure used to purchase raw materials, equip operational machines and work equipment, as well as all other equipment needed as production capital. In the book The General Theory of Employment, Interest, and Money, Keynes said that the theory of investment demand is a concept for creating marginal efficiency of capital, or the easy net income expected by a company for capital expenditure and given to investors who have provided capital in the business. Quoted from research conducted by Lubis & Zulam (2016), Sarwedi's research in 2002 stated that economic variables such as growth, wages, and exports had a direct effect on investment demand in Indonesia.

The investment supply theory is formed when private investment increases and drives economic growth (Maharani & Isnowati, 2014). This is proven by research conducted by Maharani & Isnowati (2014) which shows that the increase in investment supply in Central Java increases along with the provision of various educational, health, and transportation facilities that support various community needs. In investment terms, the law of supply and demand describes the relationship between the availability and desire to purchase a product, starting with its safety and price. The law of supply and demand in the stock market has the same principles as in the goods and services market. Laws influence the stock market by setting the price of each share of that stock.

According to Ajzen in Dewi (2018), intention can be understood as a form of organizing activities that, if given the opportunity, will produce results with evidence of action. This is by the opinion of Masrurun & Yanto (2015) that intention is the intention to carry out an action that arises from the desire to decide that behavior. Syarfi & Asandimitra (2020) also emphasized that intention is a driving factor that influences behavior, a factor that connects the relationship between individuals and the actions they take. A person's intentions can predict a person's behavior, so a person's investment behavior intentions are formed by 3 factors, namely attitude, subjective norms, and behavioral control.

Based on research conducted by Wirawan et al. (2022), investment intentions start from making investment decisions that are influenced by subjective norms such as the influence of observers, the influence of friends, the influence of information spread in the mass media, as well as the influence of investment management skills so that someone will then decide to invest. Investment intentions are closely related to financial literacy. The positive effect that arises from people knowing about finances in Indonesia, especially in

Malang City, minimizes economic fraud and economic difficulties in the community.

The main issue in this research is the share investment intention of Generation Z. Shares are one of the capital market products. Shares can be defined as a sign of capital participation of a person or party (business entity) in a company or limited liability company. By including this capital, the party has a claim on the company's income, a claim on the company's assets, and has the right to attend the General Meeting of Shareholders (GMS) (Sikapi Uangmu, 2023). According to Darmadji & Fakhrudidin (2011) shares are a sign of participation or ownership of an individual or entity in a limited liability company.

Darmadji & M. Fakhrudidin (2011) stated that shares are divided into several types. If based on ability in terms of claim or claim rights: a). Common Stock; b). Stock have the characteristics of a combination of bonds and ordinary shares. Judging from how they are maintained, shares are divided into: a). Bearer Stock; b). *Registered Stock*. Judging from the trading performance: a. Blue-Chips Stock; b). Income Stock; c). Growth Stock; d). Speculative Stock; e). Counter-Cyclical Stock. According to type, investment can be classified into 2, direct investment and indirect investment.

Financial literacy teaches how to organize and manage finances both individually and in groups to avoid financial problems (Ladamay et al., 2021). Financial literacy includes understanding, planning, and managing financial conditions by calculating risks before making investment decisions, both in the short and long term, for individual welfare (Manurung et al., 2018). According to Laturette et al., (2021) financial literacy is a person's knowledge or information related to finance which can then be read, analyzed, and then put into practice by managing the information, finally the information can be communicated to ensure ultimate financial security in the future. Financial literacy also needs to be carried out with consistency in behavioral knowledge, education, and the ability to provide information about money and wealth management, banking, investment, credit, insurance, and taxes; consistent in understanding the basics of managing one's money and wealth; consistent in using knowledge and understanding to plan and implement financial decisions (Laturette et al., 2021).

The results of the National Survey on Financial Literacy and Inclusion in 2019 in Indonesia conducted by the Financial Services Authority showed that the financial literacy of Generation Y was 47.98% and Generation Z was 44.04%. Research conducted by Saraswati (2022) shows that financial literacy can support investment; Financial literacy has a significant effect on investment intentions (Onasie & Widoatmodjo, 2020).

According to *World Bank* (2014), Financial Inclusion it is the accessibility of every individual or company to be able to benefit from financial products or services. Meanwhile, Financial Services Authority Regulation POJK No. 76/POJK.07/2016 states that financial inclusion is the ability to access various financial products, services, and institutions. This ease of access could be in the form of lower transaction costs, proximity to financial institutions, more diverse distribution channels, lower collateral, or fewer requirements to use financial products and service facilities.

Technological developments have a big influence on financial inclusion. One factor in increasing financial inclusion is the rapid development of fintech in Indonesia (Sutejo, 2021). The digital financial services movement in Indonesia is growing rapidly and sustainably, including non-cash payments and investments. Digital financial inclusion uses digital technology to provide access to official services for people who have not yet entered the financial sector, such as smartphones (Lauer & Lyman, 2015). Various data throughout 2022 show that digital financial inclusion provides space for innovation in many sectors, including the financial sector from digital banking, and insurance to financial technology. Indicators to determine the size of the development of financial inclusion are availability/access; usage, namely measuring the usefulness of real financial products and services (regularity, frequency, and duration of use); and quality, which measures whether the attributes of financial products and services meet customer needs (Susanto & Widiyastuti, 2020). Financial inclusion is a financial service system specifically designed to fulfill people's rights so they can participate in development and be more productive.

The younger generation is an important generation for the country with similar age groups experiencing important events in the same period (Laturette et al., 2021). The young generation consists of the millennial generation and Generation Z. The Millennial Generation also known as Generation Y is the generation born between 1980 and 1996, while Generation Z is those born from *1997 to 2012* (Berkup, 2014). Generation Y is estimated to be 27 to 43 years old in 2023. Generation Z is estimated to be 11 to 26 years old in 2023. According to Laturette et al., (2021) generation Z are people born between 1995 and 2010 who are characterized by technological skills, social media, expressiveness, general tolerance, and multitasking. According to Viana et al., (2022) generation Z are people born between 1995 and 2010 who are characterized by technological skills, social media, expressiveness, general tolerance, and multitasking. According to Viana et al., (2022) generation Z, including those of the productive age, have responsibility for their own financial conditions, both now and in the future. Generation Z is very skilled in digital technology, communication, and multitasking

(Prasasti & Prakoso, 2019). Facilitated conditions and understanding of using technology means that Generation Z can easily utilize digital technology to its full potential to support investment activities.

Several previous studies have shown that financial literacy has a significant effect on investment intensity. Fridana & Asandimitra, (2020); Manurung et al., (2018); Arora & Chakraborty (2023); and Ahmad & Shah, (2022) prove that financial literacy influences investor interest. Financial literacy is a combination of financial knowledge, basic financial components, and investment knowledge. So the hypothesis proposed in this research is:

H1: Financial literacy has a significant effect on stock investment intensity

Several previous studies have also proven that financial inclusion has a significant effect on investment intensity, including research by Sutejo, (2021) and Viana et al., (2022). Financial inclusion increases the availability of financial products, and reduces costs, thereby increasing the total investable assets of microeconomic entities and encouraging equity investment. So the hypothesis proposed in this research is:

H2: Financial inclusion has a significant effect on stock investment intensity

METHODS

This research is descriptive quantitative research, in the form of ex post facto research, namely research that aims to find causes that allow changes in behavior, symptoms or phenomena caused by an event, behavior, symptoms or phenomena caused by an event, behavior or things that cause. The population of this study is the young generation, namely generation Z (aged 11 to 26 years) in Malang City, which is estimated to number 222,076 residents in 2022 (Badan Pusat Statistik, 2022). Sampling technique with the Hair formula. Hair et al., (2010) stated that if the sample size is too large, the method becomes very sensitive making it difficult to measure precisely. In this study, the number of samples was 12 times 10, equal to 120 samples. The sample consists of the Generation Z population (aged 11-26 years).

$$12 \times 10 = 120\,Samples$$

Data was collected through an online questionnaire. Next, the data was analyzed using statistical software, namely SPSS 26.0 for macOS. The data analysis test used is the classic assumption test, including 1) The classic assumption test which consists of 4 tests, namely the linearity test, multicollinearity test, normality test and heteroscedasticity test. 2) Hypothesis testing consisting of the t test or partial test, the F test is also called the

simultaneous test and the coefficient of determination.
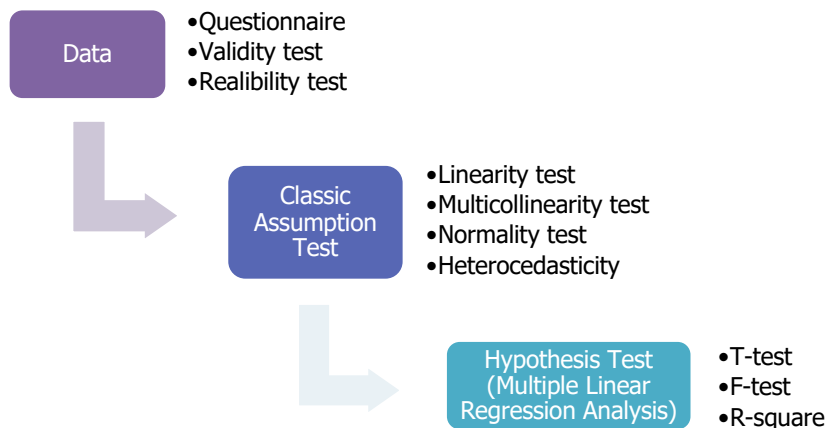
Source: Researcher, 2023; (Lukman et al., 2023)

Figure 1. Stage Data Analysis Test

RESULT AND DISCUSSION

Detailed profiles of the 120 respondents who participated are shown in the following table:

Table 1. Respondent Profile

Respondent demographics		Number of respondents	Percentage (%)
Gender	Man	23	19,17
	Woman	97	80,83
Age	11-26 Years old	92	76,67
	27-43 Years old	28	23,33
Occupation/Profession	Student	47	39,17
	Private sector employee	40	33,33
	Government employees	7	5,83
	Business	14	11,67
	Other	12	10,00
Income	<1.000.000 IDR	38	31,67
	1.000.000 IDR – 3.000.000 IDR	36	30,00
	3.000.000 IDR –5.000.000 IDR	32	26,67
	> 5.000.000 IDR	14	11,67

Source: Source: Primary data output after processing, 2023; (Lukman, et.al 2023)

Based on Table 1, it is known that the majority of respondents in this study were women, 97 respondents or 80.83%, dominated by the Generation Z group, namely with an age range of 11-26 years, with a percentage of 76.67%. Most of the respondents in this study work as students or scholars with a percentage of 45.83%. The majority of respondents in this study had an income of less than IDR 1,000,000, namely a percentage of 31.67% or 38 respondents.

Validity and Reliability

Based on the results of the tests carried out, it was found that the instrument was declared valid. The reliability test shows that each variable has a Cronbach's Alpha value ranging > 0.6 so it is declared reliable.

Classic Assumption Test

The linearity test shows that the relationship between variable X1 (Financial literacy) and Y (Stock Investment Intention) is linear, and the relationship between variable The multicollinearity test shows that all VIF values for each independent variable are less than 10 with a tolerance greater than 0.1, which means there are no symptoms of multicollinearity. The normality test shows that the data is normally distributed. The heteroscedasticity test shows that heteroscedasticity does not occur.

Multiple Linear Regression Analysis

Next, a regression analysis is carried out which is useful for obtaining the influence of the independent variables X1 (Financial literacy) and X2 (Financial inclusion) on the dependent variable Y (Stock Investment Intention). Based on the results of data processing of multiple linear regression analysis, the following data were obtained:

Table 2. Summary of Multiple Linear Regression Tests

Variables	B	t	P-value (t Sig.)	explanation	Support for Hypothesis
Constant	8.293				
X1 (Financial literacy)	0.260	7.583	0.000	Significant	Support
X2 (Financial inclusion)	0.524	3.853	0.000	Significant	Support
α	= 0.050				

Variables	B	t	P-value t Sig.)	explanation	Support for Hypothesis
Coefficient of Determination (R2)	= 0.664				
F	= 115.409				
F-table (F2,117,0.05)	= 3.074				
P-value F	= 0.000				
t-table (t117,0.05)	= 1.980				

Source: Primary data output after processing, 2023; (Lukman, et.al 2023)

Based on table 2 above, the following regression model is obtained:

Y = 8.293 + 0.260 X1 + 0.524 X2 + ei

Based on Table 2 above, the constant results obtained are positive, indicating that before the influence of the independent variables, there was an initial increase in variable Y (Share Investment Intention). Variable X1 (Financial literacy) has a positive and significant effect on variable Y (Share Investment Intention). The t-count is greater than the t-table (7.583 > 1.980) and the p-value of t is smaller than α (0.000 < 0.050). This is to the results of the descriptive analysis of the financial literacy variable, namely Financial Attitude, that the two highest items were obtained from the statements "I think far ahead in terms of finances" and "I spend money according to my needs and save the rest for savings" so that a high level of financial literacy can be achieved. increase stock investment intentions in Generation Z.

Variable X2 (Financial inclusion) has a positive and significant effect on variable Y (Share Investment Intention). It can be seen from the t-test statistics that the calculated t-value is greater than the t table (3.853 > 1.980) and the t-p-value is smaller than α (0.000 < 0.050). This result is to the results of the descriptive analysis of financial inclusion, especially the proxy "having insurance". Most respondents also answered "yes" to the proxy "know at least 5 financial products". So a high level of financial inclusion can increase stock investment intentions among Generation Z.

Based on Table 2 above, it can be seen that the calculated F value is greater than Table F (115,409 > 3,074) and has a p-value F that is smaller than α (0.000 < 0.050), so it can be interpreted that simultaneously, the independent variables namely X1 (Financial literacy) and X2 (Financial inclusion) have a significant effect on the dependent variable Y (Share Investment Intention). Meanwhile, the R Square value is 0.664. These results explain the contribution or contribution of the influence of the independent variables X1 (Financial

Literacy) and other independent variables that are not included in this equation.

The Influence of Financial Literacy on Young Generation Stock Investment Intentions in Malang City

Based on the results of the analysis, it is known that the financial literacy variable has a calculated t that is greater than the t table (7.583 > 1.980) so H1 is accepted. The significant value is 0.000 > 0.05, so H1 is accepted, which means financial literacy influences stock investment intentions. This is in accordance with the hypothesis initially expressed in this research, that financial literacy will increase investment value and this actually happens in generation z. These results support previous research conducted by Arora & Chakraborty (2023) proving that financial literacy influences investment decisions. These results are also in line with and support previous research conducted by Sutejo (2021) which shows the influence of financial literacy & inclusion on investment decisions. However, these results are very contradictory to research conducted by Viana et al. (2022) shows that financial literacy does not affect investment intentions. Supported by research conducted by Kasoga (2021) which proves that financial literacy does not affect investment decisions. Sabri (2016) revealed that in Malaysia among millennials, financial literacy has a big influence on increasing investment value. Financial literacy has a positive and significant effect on stock investment intentions.
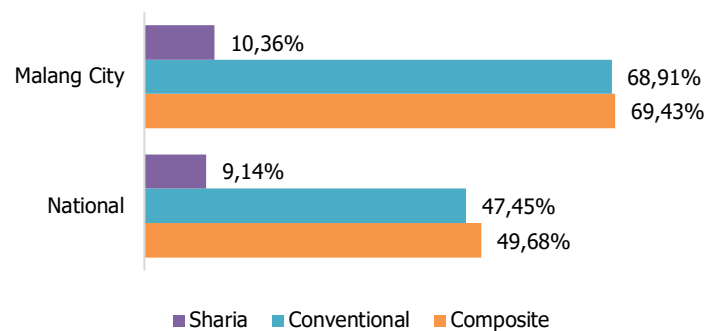

Source: (Malang City Government, 2022)

Figure 2. Comparison graph of the Financial Literacy Index in Malang City and Nationally

This result is by the results of the descriptive analysis of the financial literacy variable, namely Financial Attitude, where the two highest items are obtained from the statements "I think far ahead in terms of finances" and "I spend money according to my needs and save the rest for savings" so that increasing financial literacy can increase investment intentions in

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generation Z. So the most influential proxy for financial literacy is financial attitude. Based on the respondents' answers, it is known that the majority of Generation Z in Malang City have realized the importance of saving and shopping according to their needs.

The results of the 2022 National Financial Literacy and Inclusion Survey conducted by the Financial Services Authority (OJK) placed Malang City as a district/city with a high level of financial literacy. Malang City's financial literacy level was measured at 69.43% or much higher than the national average, namely 49.68%. This figure shows that people are increasingly aware of information and developments in the financial world today. This is proven by the increase in the number of stock investors in Malang City. In 2019, the number of stock investors in Malang City was recorded by OJK Malang as reaching 15,457 individual investors. In 2022, the number of investors will increase to 68,357. The increase in the number of individual investors can be seen in the graph below:
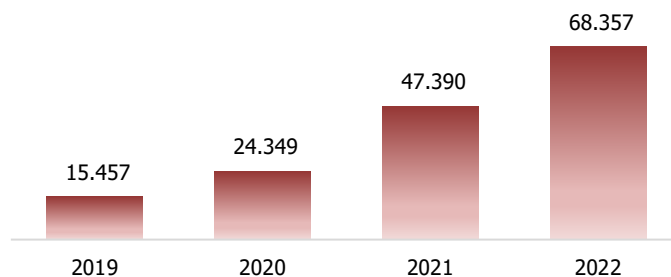
Source: (Financial Services Authority, 2023)

Figure 3. Graph of Growth in the Number of Stock Investors in Malang City 2019-2022

The results obtained show that financial literacy has a significant effect on stock investment intentions. This is proven by the high level of financial literacy in Malang City which is accompanied by an increase in the number of stock investors in Malang City. However, the high level of financial literacy of the people of Malang City does not guarantee that the people are free from fraudulent investments. Reporting from okezone.com, one of the victims from Malang City suffered a loss of 23 billion as a result of fraudulent investments under the guise of the Auto Trade Gold (ATG) trading robot.

This fraudulent investment is certainly very detrimental to Malang City, which has a fairly high level of financial literacy. So to protect the Indonesian people, including the city of Malang, from fraudulent investment, the government can provide a protection policy for investors. This can be done, for example, by creating a young investor forum in Malang City. Another way that can be done to prevent fraudulent investments is to create a policy where official investments in Malang City must be registered with Domestic Capital Investment,

Malang City. In general, the government has made efforts to increase security for investing in the Indonesian capital market, where every investor's assets are protected by establishing an investor protection fund by the Indonesian Securities Investor Protection Fund (SIPF). SIPF Indonesia is the organizer of the investor protection fund program and is supervised by the Financial Services Authority (OJK).

The Influence of Financial Inclusion on Young Generation Stock Investment Intentions in Malang City

The results of the analysis show that the financial inclusion variable has a calculated t that is greater than the t table (3.853 > 1.980) so H2 is accepted. The significant value is 0.000 > 0.05, so H2 is accepted, which means that financial inclusion has a significant effect on stock investment intentions among the young generation in the city of Malang. My findings in this research are in accordance with the initial hypothesis that I developed. I assume that digital literacy has a huge impact in financial terms, especially at the level of investment value, and this has been done by generation Z. These results support previous research conducted by Sutejo, (2021) which shows that financial inclusion influences investment decisions. These results also support research by Jonathan & Setyawan (2022) and research by Hernawan (2022) which proves that financial inclusion influences investment interest in the capital market. However, this contradicts research conducted by Perangin-angin et al. (2022) which shows that financial inclusion has no significant effect on investment behavior. According to Xu & Sun (2022) that financial inclussion does not have an effective impact on increasing long-term investment.
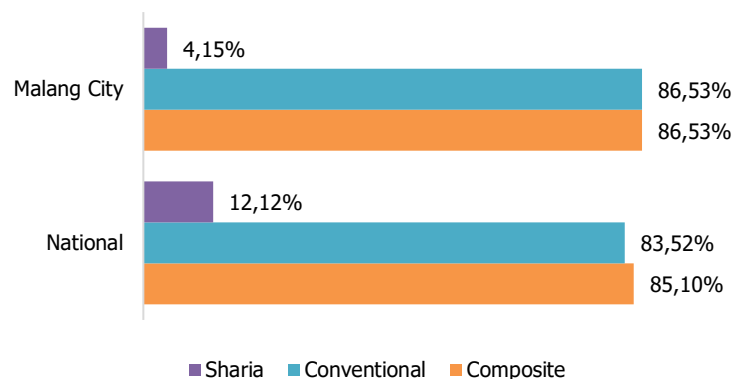
Source: (Malang City Government, 2022)

Figure 4. Comparison graph of Comparison of the Financial Inclusion Index in Malang City and Nationally

Financial inclusion influences share investment intentions, this is by the results of the descriptive analysis of financial inclusion, especially on the proxy of having insurance. Most respondents stated that they had insurance, especially employment insurance cards, and they also stated that they knew at least 5 financial products. So a high level of financial inclusion can increase stock investment intentions among Generation Z.

The results of the 2022 national financial inclusion literacy survey held by the Financial Services Authority (OJK) show that the level of financial inclusion in Malang City is higher than the national average. The financial inclusion component reached 86.53%. This means people have access to more formal financial services with better quality. Financial inclusion makes a very significant contribution to investment intentions. Financial inclusion will increase the availability of financial products for the population, and reduce financing costs for the population, thereby increasing the total investable assets of microeconomic entities and encouraging investment. Financial inclusion encourages people to invest primarily to increase their income (Luo et al., 2022).

CONCLUSION

Based on the research, it can be concluded that financial literacy and inclusion in Malang City greatly influence the shared investment intentions of Generation Z. This happens because the respondents in this research, namely Generation Z, have good financial knowledge and can easily use digital technology to support investment activities. The implications and suggestions based on the results of this research are: a) Generation Z in Malang City has quite high financial literacy and financial inclusion, which apparently influences stock investment intentions. Financial literacy and inclusion are very important for the public before starting to invest in shares, so the advice given is that the government should create a protection policy for investors and also new regulations within the Securities Investor Protection Fund (SIPF) institution. b) Generation Z in Malang City shows that they know friends/family who invest, so if they need funds suddenly they can rely on them. This is quite interesting because Generation Z already knows people around them who are investors. However, those who are not yet in a stable financial phase should continue to increase financial literacy and financial inclusion, by exploring information about developments such as interest rates, currency exchange rates, social problems, economic issues, political issues, and developments in financial technology so that what they have is not wasted. for consumption or fraudulent investments that are detrimental. It is hoped that with this research, young generation investors can seek more insight and information regarding the type of asset they

will choose before deciding to invest so that they do not regret and are not afraid when deciding to invest in risky assets. Suggestions for further research are that the R-squared value of this research model is 0.664, indicating that there are still opportunities for further research to further explore and add other factors that can influence the intention to invest in shares in Generation Z. Because there are not many variables tested in this research, It is hoped that in further research we can find other variables such as financial management, risk tolerance, and risk perception.

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