

# The Effect of Financial Literacy and Investment Motivation on Investment Interest

*The Effect of  
Financial Literacy*

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## ABSTRACT

*One of the challenges of the millennial generation in investing is the lack of knowledge about investment, because most of the millennial generation currently invest because of Fear of Missing Out (FOMO) not because they have their own motivation to invest. The aim of this research is to determine the influence of financial literacy and investment motivation on investment interest based on generational groups. The population in this paper is the Panca Budi Foundation academic community. This research uses a quantitative approach, with a sampling technique using a probability sampling method with a simple random sampling type. The number of samples in this research is 50. The type of data in this research is primary data obtained through questionnaires and secondary data obtained from journals and the official website of the Financial Services Authority and the Indonesian Stock Exchange. Based on data analysis and discussion, it can be concluded that financial literacy has a significant influence on investment interest, investment motivation does not have a significant influence on investment interest, generational groups do not moderate financial literacy but generational groups moderate investment motivation.*

**Keywords:** Financial Literacy, Investment Motivation, Investment Interest, Capital Markets.

## ABSTRAK

*Salah satu tantangan generasi milenial dalam berinvestasi adalah minimnya pengetahuan mengenai investasi, karena sebagian besar generasi milenial saat ini berinvestasi karena Fear of Missing Out (FOMO) bukan karena memiliki motivasi tersendiri untuk berinvestasi. Tujuan dari penelitian ini untuk mengetahui pengaruh literasi keuangan dan motivasi investasi terhadap minat investasi berdasarkan kelompok generasi. Populasi dalam tulisan ini adalah civitas akademik Yayasan Panca Budi. Penelitian ini menggunakan pendekatan kuantitatif, dengan teknik pengambilan sampel menggunakan metode probability sampling dengan jenis simple random sampling. Jumlah sampel dalam penelitian ini adalah 50. Jenis data dalam penelitian ini adalah data primer yang diperoleh melalui kuesioner dan data sekunder yang diperoleh dari jurnal dan website resmi Otoritas Jasa Keuangan dan Bursa Efek Indonesia. Berdasarkan analisis data dan pembahasan dapat disimpulkan bahwa literasi keuangan memiliki pengaruh signifikan terhadap minat investasi, motivasi investasi tidak memiliki pengaruh signifikan terhadap minat investasi, kelompok generasi tidak memoderasi literasi keuangan tetapi kelompok generasi memoderasi motivasi investasi.*

**Kata kunci:** Literasi Keuangan, Motivasi Investasi, Minat Investasi, Pasar Modal.

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## **INTRODUCTION**

Investment in the capital market sector is an alternative source of funding for both the government and the private sector. Based on a report from the Financial Services Authority (2023), currently, the number of capital market investors in 2023 recorded growth of 17.95% from 10.31 million in 2022, increasing to 12.16 million as of 27 December 2023. This number consists of the number of investors shares and other securities (5.25 million), mutual funds (11.40 million), government securities or SBN (1 million). Meanwhile, from demographic data as of December 27 2023, capital market investors are still dominated by 62.03% men, 56.41% under 30 years old, 31.77% employees (state, private and teachers), 64.19% high school graduates, 45.80% earn 10-100 million/month and 67.68% live on the island of Java. Based on the age of investors in the capital market, there are several generational groups such as the millennial generation and generation Z. Generation Z, who are under 25 years old, tend to have a higher level of risk in investing because they have a longer time to recover from potential losses. Generation Z is more interested in technology and innovation, so they may be more inclined to invest in the technology sector or innovative start-ups. Likewise, generation Z may prefer digital-based investments and online trading platforms. Meanwhile, the previous generation, namely Generation Y or millennials, is more likely to look for investments that are in line with values, such as social or environmental investments. Generation Y or the millennial generation is interested in investments that provide flexibility, such as mutual funds or shares, but is also interested in property investment. Likewise, generation Y or the millennial generation may be more skeptical of traditional markets and prefer technology-based or application-based investments. However, it is not uncommon for the millennial generation to also invest in the capital market. There are two paradigms that apply regarding investment in society. First, investment is considered a desire and second, investment is considered a need. The first paradigm, people will invest because of a desire.

When investment is considered a desire, this means that when someone has excess money, the money will tend to be saved as savings rather than used for investment purposes. This money is only used for investment purposes when the owner has the desire to channel it into investment instruments. The second paradigm states that investment is considered a necessity. According to Mumtaz (2010), this means that if someone has excess money, then this excess will tend to be used for investment rather than saving. An investment culture can be created through education and socialization regarding investment that can be reached by the community optimally so that it can attract people's interest in investing (Adiguna, 2018). There are still many potential investors who are hesitant about investing, making investments underestimated. This is then supported by the number of investors who experience failure in their investments. Basic knowledge about investment is very important for potential investors to know before investing in the capital market. Pajar (2017) believes that this aims to protect investors from irrational investment practices, bandwagon culture, fraud, and risk of loss. This happens because investment has recently been explained through the concept of Fear of Missing Out (FoMO), which is a psychological state where investment is a desire to follow trends in a group. Based on the BEI report released by KSEI (2021), interest in investing is starting to grow among the millennial generation.

According to Wirjono & Rahardjo, (2015), several things are thought to influence a person's desire to invest in the capital market, namely age, motivation to demonstrate one's existence, and a person's understanding of how to invest in the capital market. The young millennial generation, who are assumed to be wasteful, and unable to manage their finances well, like online shopping, traveling, culinary tours, drinking coffee, and changing gadgets, are actually also thinking about investment. In line with the development of information technology and the internet, the millennial generation is looking for information about investment so that capital market transactions are now increasingly popular with retail investors with online trading facilities provided by securities companies or brokers. Yusuf (2019) in his research stated that the availability

of facilities and infrastructure that make it easier for potential investors to invest influences investment interest. This is also supported by the implementation of a reduction in the number of shares from the previous 500 shares per lot to 100 shares per lot, so that they can be affordable for the millennial generation to buy. Adequate knowledge of a person's field increases their confidence and motivates them towards it, in this case investing in shares. Based on the phenomena described previously, the contribution of this research is to determine the level of investment interest of the millennial generation, especially beginner investors, in the Indonesian capital market after experiencing a fairly high increase in August 2021, amounting to 57.20% (KSEI, 2021). There are several factors that influence a person's investment interest. Interest in research Pajar (2017); Bakhri et al., (2020) is influenced by investment motivation. This is in line with research conducted by Taufiqoh et al. (2019) that investment motivation influences students' interest in investing in the capital market. This is different from research conducted by Hermanto, (2017) which said that motivation has no effect on students' investment interest. Many people have tried investing, but quite a few of them have failed and decided to stop investing in the middle of their journey. Low motivation is caused by low public understanding and knowledge regarding investment in the capital market (Pajar, 2017).

According to Rahman and Gan (2020) explained that the millennial generation is less likely to participate in the capital market due to a lack of knowledge and fear of failure. Based on research conducted by Taufiqoh et al. (2019) it is stated that financial literacy has no effect on interest in investing, this is because investing in the capital market does not only require a good level of financial literacy. This is not in line with the results of research conducted by Tumewu (2019) in his research stating that financial literacy has the most impact on interest in investing. Knowledge about investment and how to invest will be very necessary to avoid losses when investing in shares in the capital market. In line with research conducted by Patrianissa (2018), this is because the knowledge possessed by investors can influence interest in investing in the capital markets sector. Supported by Baihaqi (2016) that knowledge is information that is processed. A learning activity will cause additional information about something being studied and cause a change in behavior as a result of the information received. The results of research conducted by Merawati et al. (2015) also state that investment knowledge influences students' investment interest. Marbun (2019) stated that if someone has sufficient knowledge about investment, it will affect their tendency to invest. Likewise, someone who has an interest in investing will take action to achieve this desire, such as attending training/seminars on investment, accepting investment offers well, and reaching the stage of making an investment (Kusmawati, 2011). The financial literacy possessed by potential investors and the motivation to start investing have a driving role for someone to start investing, especially in the capital market. However, the situation in the field is the opposite because there are still many novice investors who just follow along and fail to invest due to a lack of understanding of the investment. The problem in this research is to find out whether there is an influence of financial literacy and investment motivation on investment interest in the capital market among the millennial generation.

## **LITERATURE REVIEW**

Ajzen (1985) developed a theory about human behavior, namely the Theory of Reasoned Action or usually abbreviated as TRA. In TRA, it is explained that individual behavior originates from behavioral interests, while behavioral interests are formed from subjective attitudes and norms. In this theory, attitude is defined as positive or negative feelings, likes or dislikes when carrying out certain behavior. Subjective norms are responses regarding other people's beliefs that can influence them, even though these beliefs are still doubtful or under consideration. From the Theory of Reasoned Action, Ajzen (1991) then developed it into the Theory of Planned Behavior (TPB). In TPB theory, attitude means a person's feelings of liking or disliking a stimulus. Subjective norms are defined as an individual's response to the people closest to them who influence them to carry out or not carry out this behavior. To find out whether a behavior is worth

doing or not, individuals will use all the information they have to think about and imagine the impact of that behavior. A person can acquire a behavior by taking an active interest in the behavior. Behavioral interest is a determining factor in achieving a behavior. With caution, one's behavior can lead to something more concrete. This can explain if someone who is interested in investing tends to act to fulfill their investment desires. For example, by attending investment training and seminars, by accepting good investment offers and finally by investing (Kusmawati, 2011).

Lack of knowledge about finance will make it difficult for someone to invest in the capital market. Financial literacy is the ability to read, analyze, manage and communicate about financial conditions that affect a person's well-being (Sugiantara et al., 2020). This includes a person's ability to make choices regarding financial management, discuss finances and plan for the future and respond competently to life activities that influence daily financial decisions. The Organization for Economic Co-operation and Development or OECD (2016) defines financial literacy as knowledge and understanding of financial concepts and risks, skills, motivation, and confidence to apply this knowledge and understanding to make effective financial decisions, improving financial well-being of individuals and society, as well as participating in the economic sector (OJK, 2017). According to Financial Services Authority Regulation Number 76 of 2016, financial literacy is knowledge, skills and confidence that influence attitudes and behavior to improve the quality of decision making and financial management in order to achieve prosperity. These aspects of financial attitudes and behavior provide the view that financial literacy is not only about knowing, becoming skilled in utilizing, and believing in financial products and services, but also about the importance of changing one's financial attitudes and behavior in order to live a more prosperous life. The reason why there is a need for financial attitudes and behavior in financial literacy is that if you only rely on knowledge alone, it will not be able to change a person's behavior if they do not have the appropriate attitudes and motivation (World Bank, 2016). There are several indicators that can be used to determine a person's level of financial literacy. Several indicators included in financial literacy are general knowledge, saving & borrowing, insurance, and investment.

Motivation is a condition within a person that drives the individual's desire to carry out certain activities to achieve goals (Handoko, 2016). The motivation that exists in a person will manifest a behavior that is directed at the goal of achieving satisfaction targets. Motivation is not something that can be observed but is something that can be concluded to exist because of visible behavior. Meanwhile, according to Werdhiastutie et al. (2020) stated that motivation is often interpreted as encouragement. This drive or energy is a movement of the soul and body to act, so that motivation is a force that moves humans to act in actions that have a certain goal. Motivation starts from a change in energy or energy within a person. That motivation initiates a change in energy in every individual human being. The development of motivation will bring about several energy changes in the neurophysiological system in the human organism. Because it involves changes in human energy (even though motivation arises from within humans), its appearance will involve human physical activities. Motivation is characterized by the emergence of feelings that direct a person's behavior. In this case, motivation is relevant to psychological issues, affection and emotions which can determine human behavior. Motivation is characterized by reactions to achieve goals. Motivation in this case is actually a response to an action, namely a goal. Motivation does arise from within humans, but it arises because it is stimulated/driven by the presence of other elements, in this case goals.

Motivation is also defined as the process of providing encouragement that can determine an individual's intensity, direction and persistence in efforts to achieve targets and has a direct influence on a person's tasks and psychology (Robbin, 2006). Motivation is a formation of behavior that is characterized by forms of activity or activities through psychological processes, both influenced by intrinsic and extrinsic factors that can direct it in achieving what it wants, namely goals (Yuli, 2005). The most famous motivation theory is Abraham Maslow's hierarchy of needs theory. In this theory, Robbin (2006) is

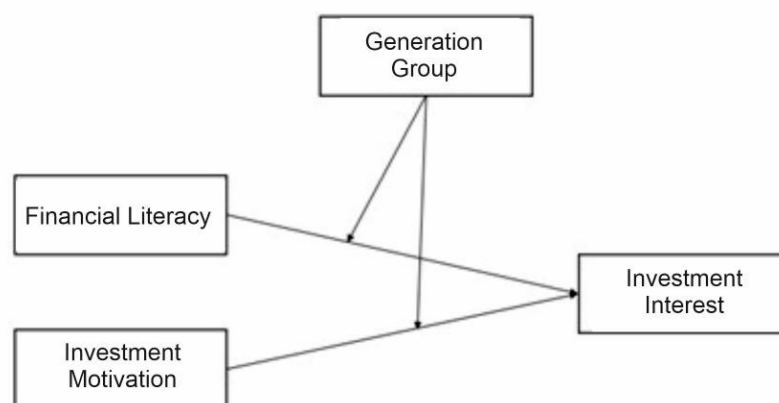
divided into five hierarchies of needs, namely physiological needs, safety and security needs, social needs, esteem or status needs and social needs. self-actualization (self-actualization needs).

Actions or activities carried out by a person are basically to fulfill desires for objects that are considered to arouse interest. According to Khairani (2017) one of the factors that influences interest is the inner urge factor, namely that stimulation that comes from the environment or scope that matches a person's desires or needs will easily generate interest. Interest has a big influence on the activities carried out, the characteristics of someone who is interested in investing can be known by how much effort they put into finding out about a type of investment, studying it and then putting it into practice. This is in line with the opinion of Kusmawati (2011) who states that interest in investing is the desire to find out about the type of investment starting from the advantages, weaknesses, investment performance and so on. Things that are indicators to measure investment interest include motivation for investment, the wish or desire that exists in someone's mind to buy a product being offered. The emergence of buying interest is triggered by stimulation or encouragement that comes from within the consumer before deciding to purchase a product or service. In investment motivation, an investor wants to be directly involved in an investment activity. Interest in investing suggests that interest in buying is a thought that arises because of feelings of interest and wanting to own an investment product. Feelings about investing are a form of a person's attitude in the form of a feeling of preference, pleasure and a sense of connection to a thing or activity without anyone telling them to. The desire to invest is a situation where a person has attention to something accompanied by a desire to know, learn and prove further. From this definition, it can be concluded that interest is interest in certain activities or individuals which causes someone to pay special attention to that individual or activity. In this way, someone who has an interest in investing can be identified through their efforts in searching for information related to basic knowledge regarding types of investment, then paying special attention by attending various seminars, training, and ultimately deciding to invest or even consistently increase the portion of investment they already have. The desire to seek information, the willingness to spend time learning and then ultimately trying to invest are the paths that must be passed by potential investors who are truly interested in investing.

Financial literacy is knowledge, skills and confidence that influence attitudes and behavior to improve the quality of decision making and financial management in order to achieve prosperity (OJK, 2016). This means that the higher the level of financial literacy, the higher the choice of investment decisions (Deviyanti et al., 2017). People are more likely to buy an item if the item is considered to have more benefits, especially in financial terms or as an investment product. In general, someone will buy an investment product after they know what benefits can be obtained from the investment product and how the investment procedure produces profits. Knowledge about investment will direct potential investors in the best types of investment to choose. A good investor must have good financial literacy because proper knowledge about investment can support a person's investment success and direct a person to make decisions or actions. Research conducted by Welly et al. (2015) aspects of financial literacy include general knowledge, personal finance, savings, loans, insurance and investment. His research shows that financial literacy has a significant influence on interest in investing in the capital market. Research conducted by Darmawan et al. (2015) states that financial literacy influences interest in investing in the capital market. This is in line with research conducted by Tumewu (2019) that financial literacy is the variable that has the greatest impact on Investment Interest.

There are various kinds of motivation for a person to do something. In the Theory of Planned Behavior, a person's behavior is determined by behavioral interests. Interests are formed from subjective attitudes and norms. If a person has a desire or urge to invest, then he tends to turn that urge or desire into a concrete action that shows his interest in investing. According to Wirjono & Rahardjo, (2015) several things are thought to influence a person's desire to invest in the capital market, namely age, motivation to

demonstrate one's existence, and a person's understanding of how to invest in the capital market. The importance of motivation in investing aims to avoid investing activities that are only influenced by other people's choices and tend to follow general beliefs. This is so that potential investors avoid the FOMO concept that has recently occurred. The encouragement given to do something to achieve the goal, in this case the efforts that have been made, can stimulate interest in investing. Research conducted by Malik (2017) shows that motivation has a positive and significant effect on investment interest. This explains that motivation has a direct relationship with investment interest. As investors' motivation to invest increases, interest in investing increases. This is in line with research conducted by Pajar (2017) and Bakhri et al. (2020) interest is influenced by investment motivation.



**Figure 1.** Research Framework

## **METHOD**

The research method used in this research is quantitative. The statistical methods used are multiple linear regression analysis, multiple correlation, and coefficient of determination. The population in this research is the Panca Budi Foundation academic community. The sampling technique uses a probability sampling method with simple random sampling. The number of samples in this research was 50 respondents. Meanwhile, the type of data in this research is primary data, namely data obtained through questionnaires distributed to the millennial generation and secondary data, namely obtained from journals and the official website of the Financial Services Authority and the Indonesian Stock Exchange. In preparing this questionnaire the researcher used a Likert scale. The Likert scale is used to measure the attitudes, opinions and perceptions of a person or group of people towards social phenomena (Sugiyono, 2018). In the questionnaire used by researchers, each question consists of 5 answer categories. The research instrument tests used in this research are validity tests and reliability tests. Data analysis used in this research used SPSS 26.

## **RESULT**

The test begins with the classic assumption test, namely Normality Test, Multicollinearity Test, Heteroscedasticity Test and the results show that the data used is normally distributed and there are no symptoms of multicollinearity or heteroscedasticity.

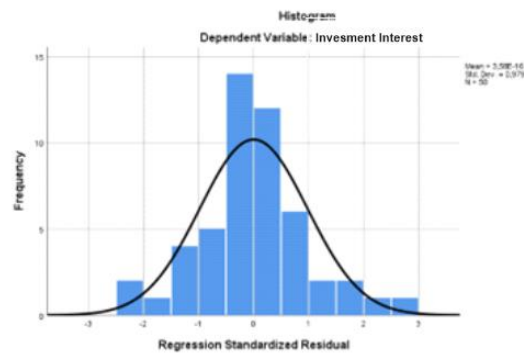


Figure 2. Histogram Graphic

Figure 2, it appears that the histogram is bell shaped. Thus, it can be said that the data is normally distributed or close to normal. The second normality test is to look at the normal probability plot. On a P-P Plot graph, data is said to be normally distributed if the data points are spread around the pattern line.

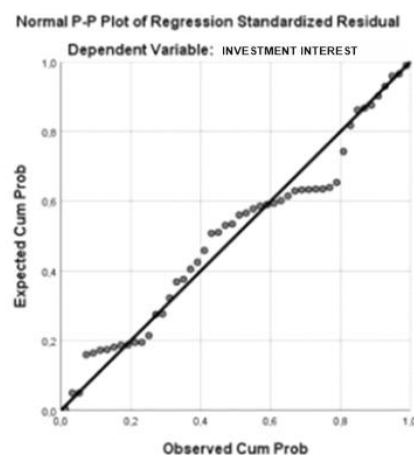


Figure 3. P-Plot

Figure 3 shows that the data is normally distributed because the distribution of the residual data spreads along a diagonal line (normal line). These two graphs show a normally distributed data pattern, however, if the conclusion about whether the data is normal or not is only seen from a graph that visually looks normal, then this can be misleading. Therefore, data normality testing was again carried out using statistical tests, namely by carrying out the Kolmogorov-Smirnov test. To see whether data is normally distributed or not, it can be seen from the significance value. If the significance value is greater than 0.05 then the data is normally distributed. If the significance value is smaller than 0.05 then the data is not normally distributed. The disagreement test can be seen in table 1.

Table 1. One-Sample Kolmogorov-Smirnov Test

Model	Unstandardized Residual
Normal Parameters <sup>a,b</sup>	50
Mean	0.0000000
Std. Deviation	0.58870516
Absolute	0.138
Positive	0.138
Negative	-0.088
Test Statistic	0.138
Asymp. Sig. (2-tailed)	0.018 <sup>c</sup>
a. Test distribution is Normal.	
b. Calculated from data.	
c. Lilliefors Significance Correction.	

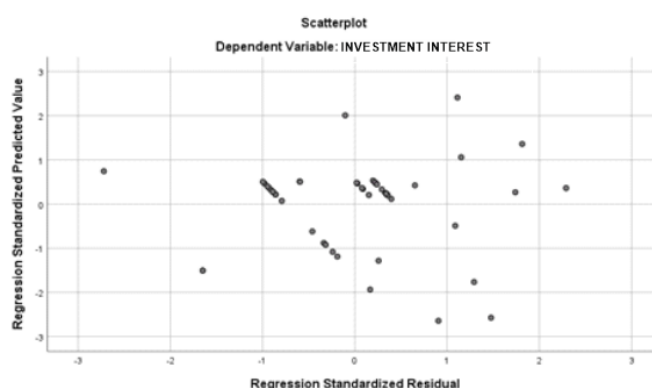
Table 1, the probability value or Asymp.Sig is obtained. (2-tailed) of 0.018. Because the probability value, namely 0.0018, is greater than the significance level, namely 0.05. This describes that the data has been distributed normally, not only seen from the results of graphic analysis but also from statistics.

**Tabel 2.** Multicollinearity Test Result

Model (Constant)	Coll Stat Tolerance	Coll Stat VIF	Information
Financial Literacy (X1)	0.434	2.303	Multicollinearity don't accrue
Investment Motivation (X2)	0.434	2.303	Multicollinearity don't accrue

a. Dependent Variable: Investment Interest (Y)

Table 2, all independent variables have a Tolerance value  $\geq 0.10$ , which means there is no correlation between the independent variables. Apart from that, the results of calculating the VIF value also show the same thing, all independent variables have a VIF value  $\leq 10$ . The concluded that there is no multicollinearity between the independent variables in this study.



**Picture 4.** Scatterplot Graphics

In Figure 4, the scatterplot graph above has the points spread both above and below the number 0 on the Y axis so that it can be concluded that there are no symptoms of heteroscedasticity in the regression model used in this research. The first hypothesis testing was carried out with the Simultaneous Significance Test (F Test).

**Tabel 3.** F Test Results

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	104710.695	2	52355.347	49.092	0.000 <sup>a</sup>
Residual	50123.805	47	1066.464		
Total	154834.500	49			

a. Predictors: (Constant), Investment motivation (X2), Financial Literacy (X1)

Table 3 shows the significance value is  $0.000 < 0.05$ . Thus, it can be concluded that the variables of investment motivation and financial literacy simultaneously have a significant effect on investment interest.

**Tabel 4.** T Test Results

Model	Unst Coef B	Unst Coef Std. Error	Stand Coef Beta	t	Sig.
(Constant)	48.869	39.753		1.229	0.225
Financial Literacy (X1)	0.922	0.143	0.813	6.456	0.000
Investment motivation (X2)	0.010	0.106	0.012	0.096	0.924

a. Dependent Variable: Investment Interest (Y)

From the results of the partial test (t test) in the table above, financial literacy (X1) has a positive effect on investment interest with a significance value of  $0.000 < 0.05$ . Investment motivation has no effect on investment interest, with a significance value of  $0.924 > 0.05$ .



**Tabel 5.** Test Result ( $R^2$ )

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.822 <sup>a</sup>	0.676	0.662	32.65676

a. Predictors: (Constant), Investment motivation (X2), Financial Literacy (X1)

Table 5, the seen that the Adjusted R Square (Adjusted R2) value obtained is 0.662, which means that the investment interest variable can be explained by the Financial Literacy and Investment Motivation variables of 0.662 or 66.2% while the remaining 33.8% is explained by other variables. which was not examined in this study. The first hypothesis testing was carried out using the Moderation Test with the absolute difference interaction value.

**Table 6.** Moderation Test Result

Model	Unst coef B	Unst coef	Std. Error	Stand Coef Beta	t	Sig
1 (Constant)	3.812	0.363			10,487	0.000
Zscore: Financial Literacy (X1)	-.093	0.132		-0.097	-0.700	0.487
Zscore: Investment motivation (X2)	-.340	0.143		-0.356	-2.384	0.022
Zscore: Generation Group (Z)	-.040	0.143		-0.042	-.278	0.782
Financial Literacy (X1)_Z	-.211	0.214		-0.148	-.986	0.329
Investment motivation (X2)_Z	-.391	0.159		-0.363	-2.460	0.018

Table 6, it can be concluded that the interaction value of financial literacy (X1)\_Generation Group (Z) has (sig value = 0.329) > 0.05, which means that H3 is rejected, namely generation group does not moderate the relationship between financial literacy and investment interest. The interaction of investment motivation (X2)\_generation group (Z) has (sig value = 0.018) < 0.05, which means that H4 is accepted, namely generation group moderates the relationship between the investment motivation variable and investment interest.

## DISCUSSION

The influence of financial literacy and investment motivation on investment interest in the academic community, Prof. Dr. H. Kadirun Yahya with the generation group variable as a moderating variable. In this research, the financial literacy variable in influencing investment interest has a significant influence on investment interest. It can be interpreted that when employees have good financial literacy, employees will indirectly be interested in investing. Question items related to the financial literacy variable show that many respondents know about inflation. The statement about inflation in the statement on the questionnaire is considered very important. The increase in the price of goods can be felt, investing in assets is protected from the dangers of inflation. The money spent provides different benefits, if you compare buying an expensive watch and buying shares, between buying a luxury car and land, between buying an expensive smartphone and mutual funds. Of course, consumer goods will experience obsolescence, damage, decline in value and so on. Meanwhile, investments will experience an increase in value, the amount will increase, and the price will increase. This can be overcome by reducing consumption and investing. In this modern era, savings, deposits, bonds and shares can be investment options. Saving money in the bank is safe and easy, but money growth is relatively slow.

The capital market, shares do offer the most tempting profits, but they also have the greatest risks. Investment can be said to be the art of growing money. It requires strong motivation and interest in learning the art of investing. Someone who has knowledge of investment will influence their interest in investing. Someone who is well literate not only looks at the risks they face, but also the opportunities they get when investing. Statements related to the financial literacy variable with savings and loans indicators show that many respondents know that loans have many risks, especially if they are unable to pay. Often people are willing to fulfill their lifestyle with loans. Thus, the results of hard work, only to pay liabilities and do not have money to invest. In order to achieve financial freedom,

of course you have to be able to divide the range every time you spend, and it is important to set aside emergency funds that can be used at any time in urgent situations, so that you don't have to go into debt or take out loans. Several aspects related to the financial literacy variable with low answer categories in this research are regarding knowledge about insurance products. This can happen because the respondent is not an insurance user or the respondent does not understand and have clear knowledge about insurance. Understanding and knowledge about insurance is considered not yet well literate and needs to be deepened by potential investors. The importance of insurance is so that in the event of loss, damage, prospective investors do not make the wrong decision by immediately selling investment products which at that time may be in unfavorable conditions.

Respondents believe that investing in the capital market can provide benefits in the future. Financial literacy is measured by the ability to read, analyze and plan for the future. Profits in investing will of course be obtained by having knowledge and skills in investing. Respondents have confidence in the performance of the capital market. The capital market has 3 institutions at once, namely the stock exchange, the Clearing Guarantee Institution (LKP) and the Depository and Settlement Institution (LPP). The existence of these institutions provides security and comfort in investing. Based on the description above, knowledge about investment is absolutely necessary for a potential investor before entering the world of capital markets. Adequate knowledge will shape a person's skills in creating value and profit and also being able to manage existing risks, both small and large, thereby reducing the impact of losses that will be experienced. For novice investors, investment knowledge without being supported by skills in managing finances such as preparing emergency funds, preparing preventive measures such as insurance and financial management, in this case the budget, will only pose a risk of loss in investing, because if something happens, investors will be faced with a choice. to sell their investment products even if they are at a loss. Therefore, one of the basic foundations and capital to be able to join the world of capital market investment is to have good financial literacy in order to achieve investment goals in the future. Financial literacy has the most impact on interest in investing to avoid losses when investing in the capital market (Ratulangi & Tumewu, 2019). The results of this research are in line with research by Darmawan et al. (2015) which shows that financial literacy influences investment interest in the capital market. The investment motivation variable in influencing investment interest does not have a significant influence on investment interest. It can be interpreted that the investment motivation in this variable is general, people with investment motivation may not have an interest in investing. Question items related to investment motivation variables show novice investors' interest in investing. This interest is in the form of facilities provided such as applications provided by securities parties and minimum capital for investing which is relatively cheap and can be reached by the millennial generation. The various facilities provided further increase investors' interest in investing, one of which is the existence of Single Investor Identification (SID). SID functions as an identity card for capital market investors. This SID is single, meaning that each investor only has one SID number.

The question regarding interest in investing in the statement in the questionnaire is considered very important so that potential investors do not invest just because they follow recent trends. This is so that potential investors avoid irrational investment practices. Several aspects related to the investment interest variable with low answer categories in this research are regarding the desire to achieve certain goals related to investment. This states that novice investors have the desire to invest, but the encouragement given by various parties has not been able to stimulate their interest in investing in the capital market, because novice investors have considerations before planning future investments. This is because the motivation for investing provided by the government and related parties, such as training and seminars, has not been able to encourage novice investors to invest in the capital market. This is because investments are high risk and high gain. Apart from the big risks, it also requires a lot of capital to get big

profits. Apart from that, people tend to consider other factors when investing. When compared with other countries, public interest in investing is still quite low, this is because there is a paradigm that applies in society that investment is something that is expensive and is a desire. If it is related to income level, this has not been able to encourage Indonesian people's interest in investing. The education provided by the government in motivating people to become familiar with investment is also not enough to influence interest in investing. These findings support the Theory of Planned Behavior that to find out whether a behavior is worth carrying out or not, individuals will use all the information they have to think about and imagine the impact of that behavior. Apart from that, the motivation to invest that arises because of the influence exerted by people closest to them has not been able to influence the investment interest of novice investors in investing. In the Theory of Planned Behavior, it is also stated that a person will respond to an invitation given to carry out or not carry out the behavior. In diving into the foam floor, motivation to invest alone is not enough to stimulate interest in investing, because there are many things that encourage someone to be motivated. Research conducted by Malik (2017) shows that there are other aspects that encourage someone to invest. In other words, investors are less interested in learning through training and seminars about investment, because investing requires not only motivation but also the importance of income to be invested and considerations in investing with the hope of making a profit, and risks that must be considered in investing.

In the Moderation\_X1 variable in moderating financial literacy on investment interest, the generation group variable is unable to moderate (strengthen) the financial literacy variable on investment interest. This is because a person's literacy level only influences how the individual manages their finances to meet their daily needs. The results of this research contradict research by Elfahmi & Solikin (2020) which states that generation moderates financial literacy on investment interest. This is caused by environmental conditions, experience and information acquisition of investors from each different generational group so that investor literacy will become stronger when supported by the environment, experience and information acquisition so that literacy will strengthen investment interest. In the Moderasi\_X2 variable in moderating investment motivation towards investment interest, the generation group variable is able to moderate (strengthen) the investment motivation variable towards investment interest. This is supported by research by Mustari et al. (2024) which states that generation is able to influence investment motivation. The process of motivation that arises in a person is directed towards achieving goals. Where in order to achieve these goals, it can also fulfill unmet needs. In this case, if the Millennial generation and generation Z have the motivation to invest, then that person will tend to make it a reality. The motivation in question arises from a need or desire that wants to be fulfilled. The stronger the energy of the need that forms investment motivation in a person, the higher the person's interest in investing. The Millennial generation tends to be optimistic and high achievers, they believe that they have the potential to be great. This behavior is also reinforced by the characteristics possessed by Generation Z, namely being realistic, which means that Gen Z prefers to do everything they want to do right away without waiting for them to really master the things they want to do. Generation z will always be realistic in doing whatever needs to be done to continue surviving or even in preparing for the future. Apart from that, Generation Z also has driven characteristics, which means that when they have a goal and a strong urge to do something, this generation will be active and always motivated to continue doing everything, learning, searching for all the information needed independently to achieve the desired goal (Stillman, 2018).

## **CONCLUSION**

From the results of the research and discussion in this study, overall it can be concluded that the financial literacy variable has a significant influence, the investment motivation variable does not have a significant influence and the generation group variable is only able to moderate investment motivation but not financial motivation. literacy variable.

From the conclusions presented, the suggestion from this research to employees is that with this research it is hoped that it can make employees aware of the importance of financial literacy which is strengthened by investment motivation to hone their interest in investing which is beneficial for their future. For future researchers, it would be better to increase the research sample to produce better research. Apart from that, researchers are advised to change or add indicators to each variable so that they can represent the entire variable and try to use research objects other than employees.

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