

The Influence of Financial Literacy and Financial Attitude on Investment Behavior: The Mediating Effect of Self-Control in Generation Z

*The Influence of
Financial Literacy and
Financial Attitude*

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ABSTRACT

The expansion of digital technology increases Generation Z's involvement in financial markets, yet also elevates the risk of impulsive and speculative choices driven by behavioral biases. This study aims to evaluate the influence of financial literacy and financial attitude on investment behavior among Generation Z in Jakarta, while explicitly examining self-control as an intervening mechanism. Utilizing a quantitative approach with an explanatory research design, primary data were gathered through structured online questionnaires from 200 active investors selected via non-probability purposive sampling. Data processing was executed using Partial Least Squares-Structural Equation Modeling (PLS-SEM) managed through SmartPLS. The empirical findings reveal that financial literacy and financial attitude exert direct, positive, and significant influences on self-control and investment behavior. Self-control serves as a vital psychological bridge that partially mediates both relationships, demonstrating that cognitive knowledge and positive mindsets are significantly optimized when channeled through personal self-discipline. These insights carry substantial practical implications for financial educators and policymakers, indicating that successful youth financial initiatives must look beyond mere conceptual knowledge by comprehensively redesigning educational frameworks to actively cultivate future-oriented mindsets and digital self-regulation techniques.

Keywords: Financial Attitude, Financial Literacy, Generation Z, Investment Behavior, Self-Control.

INTRODUCTION

The global expansion of digital technology and the widespread availability of diverse online investment platforms have accelerated the involvement of Generation Z in financial markets. Raised entirely in the internet age, this cohort is highly tech-savvy and naturally pulls financial information from social media and specialized investment applications. However, this seamless access simultaneously elevates the danger of impulsive, speculative choices driven by underlying behavioral biases. Viewed through a behavioral finance lens, investment behavior is not merely a product of cold, rational calculations. It is heavily molded by psychological elements and personal dispositions toward capital and risk (Ruiz et al., 2023). Consequently, identifying what drives Generation Z's investment behavior carries substantial academic and practical weight.

Financial literacy has served as a cornerstone expected to guide personal investment behavior. Those equipped with superior financial literacy can better comprehend financial instruments, balance risk against return, and arrive at logical investment choices, as highlighted by Seraj et al. (2022) and Shroff et al. (2024). Empirical research by Ahmed et al. (2021) and Sawitri et al. (2025) demonstrates that financial literacy plays a

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constructive role in improving investment decision quality and boosting market engagement. Furthermore, a study by Leng et al. (2025) indicates that financially literate individuals display greater confidence when structuring portfolios and achieving optimal asset diversification. This knowledge base also mitigates the fallout from behavioral biases like overconfidence and herding behavior, smoothing the path toward more calculated and objective choices (Patiu et al., 2025). While certain frameworks proposed by Ahmed et al. (2018) and Shah et al. (2024) treat risk tolerance as a mediating element, the direct relationship between financial literacy and investment behavior remains powerful across different settings.

Alongside financial literacy, financial attitude serves as another crucial determinant in molding investment behavior by reflecting how individuals evaluate money management, prioritize financial security, and perceive risk (Navilla et al., 2025). Research by Talwar et al. (2021) indicates that specific dimensions of financial attitude, including an active interest in financial matters and a long-term outlook, markedly affect the trading activities of retail investors. Maintaining a positive financial attitude fosters more logical, structured financial actions (Arifin, 2018) and directly sways investment intentions and choices (Yuliani et al., 2024; Kumar et al., 2025). Behavioral finance literature similarly underscores that risk attitudes dictate an individual's tendencies when navigating investment choices (Singh et al., 2024). Hence, a more constructive financial attitude generally correlates with more active and logical investment behavior (Agarwal & Rao, 2024; Shah et al., 2024).

Despite these established direct links, a distinct research gap persists concerning the precise psychological paths that mediate these dynamics, especially within Generation Z. This demographic is characterized by vast information exposure yet remains uniquely susceptible to digital distractions and hurried choices. Previous studies by Bai (2023) indicate that financial literacy is closely linked to an individual's level of self-control regarding money management. Scholars like Bu et al. (2022) and Mpaata et al. (2025) demonstrate that those possessing solid financial literacy generally exhibit greater self-control when navigating economic constraints and resisting consumerist habits. Additionally, investigations by Rey-Ares et al. (2021) and Owusu et al. (2022) show that a constructive financial attitude is associated with heightened self-control and superior financial health. Self-control itself has consistently been identified by Strömbäck et al. (2017) as a foundational element in determining overall financial behavior and economic well-being. However, the exact mechanism of self-control as an intervening bridge connecting both cognitive (literacy) and psychological (attitude) factors directly to the actual investment execution of young investors remains under-explored.

To address this gap, the novelty of this study lies in its integrated dual-pathway approach. It positions self-control not merely as an isolated self-regulation trait, but as a dynamic psychological mediator that translates both financial knowledge and financial mindsets into actual, disciplined investment execution within a hyper-digitalized environment. Based on these insights, the objective of this study is to examine the influence of financial literacy and financial attitude on investment behavior among Generation Z, as well as to investigate the mediating effect of self-control in the relationship between these variables. This study intends to offer insights by broadening existing investment behavior frameworks to combine both cognitive and psychological dimensions.

LITERATURE REVIEW & HYPOTHESIS DEVELOPMENT

The Influence of Financial Literacy and Financial Attitude on Investment Behavior

Financial literacy serves as a foundational cognitive determinant that directly guides individual investment behavior (Safryani et al., 2020). Those possessing sophisticated knowledge exhibit a sharper capacity to comprehend complex financial instruments, evaluate risk-return parameters, and execute logical choices (Seraj et al., 2022; Shroff et al., 2024). Empirical investigations substantiate that financial literacy yields a favorable impact on decision-making quality and retail market engagement (Ahmed et al., 2021;

Sawitri et al., 2025). Furthermore, literate investors display greater self-assurance during portfolio structuring and asset diversification (Leng et al., 2025). This expertise actively mitigates behavioral biases, steering strategies toward objective, deliberate outcomes (Barrafrem et al., 2024; Shah et al., 2024; Patiu et al., 2025).

Financial attitude reflects an individual's evaluation of money management, risk exposure, and long-term planning, which guides personal investment frameworks. Empirical investigations reveal that specific attitudinal facets, such as an active interest in financial matters and a firm commitment to future financial security, exert a meaningful influence on individual trading habits (Talwar et al., 2021). Cultivating a positive financial attitude fosters highly structured economic conduct, directly swaying investment intentions and eventual instrument selection (Arifin, 2018; Yuliani et al., 2024; Kumar et al., 2025). Within behavioral finance, financial attitude helps control psychological biases like overconfidence, which heavily disrupt portfolio selection (Ruiz et al., 2023). Moreover, emotional self-regulation paired with cognitive knowledge reinforces decision quality, proving that risk perception drives investment execution (Cheng & Chao, 2025). An individual's psychological disposition toward risk directly dictates their ultimate inclination to embrace market volatility (Singh et al., 2024). A constructive financial attitude yields highly rational and proactive investment behavior (Agarwal & Rao, 2024; Shah et al., 2024).

H1: Financial literacy has a positive and significant effect on investment behavior.

H2: Financial attitude has a positive and significant effect on investment behavior.

The Influence of Financial Literacy and Financial Attitude on Self-Control

Financial literacy reflects an individual's ability to understand financial concepts and make rational economic decisions. In personal finance, financial literacy and self-control are closely interconnected in supporting long-term financial stability. Individuals with higher levels of financial literacy tend to demonstrate stronger self-regulation when managing financial limitations, thereby reducing vulnerability to financial difficulties. This knowledge provides the cognitive foundation necessary to delay short-term gratification and allocate resources more responsibly. Previous studies by Bai (2023) further emphasize that financial literacy significantly shapes psychological aspects related to expenditure control and financial decision-making. In addition, self-control plays an essential role in minimizing impulsive consumption behavior and excessive borrowing within digital credit environments (Bu et al., 2022; Alshebami & Aldhyani, 2022). Financial literacy also contributes to stronger saving behavior and improved financial well-being, particularly during periods of economic uncertainty (Mawad et al., 2022; Meneau & Moorthy, 2022; Mpaata et al., 2025).

Financial attitude, meanwhile, reflects an individual's perspective toward money management, future financial planning, and saving behavior. A positive financial attitude is associated with greater discipline in controlling expenditures and maintaining consistency in asset accumulation (Owusu et al., 2022). Prior research by Strömbäck et al. (2017) and Rey-Ares et al. (2021) indicates that self-control serves as a fundamental determinant of financial stability because it enables individuals to avoid impulsive financial decisions. Moreover, positive financial attitudes strengthen financial self-efficacy, which subsequently enhances self-discipline in managing finances (Faique et al., 2017; Megananda & Faturohman, 2022). An internal locus of control also encourages individuals to take responsibility for their financial outcomes and improve self-regulation during decision-making processes (Berwal et al., 2025). Among students, positive financial attitudes have been shown to encourage more controlled and responsible financial behavior (Chuah et al., 2020; Tan et al., 2025).

H3: Financial literacy has a positive and significant influence on self-control.

H4: Financial attitude has a positive and significant influence on self-control.

The Influence of Self-Control on Investment Behavior

Self-control represents an individual's capacity to override immediate impulses to fulfill long-term objectives, particularly within volatile investment choice-making environments. In the realm of economic conduct, personal self-control is key to determining a person's underlying inclination to invest and how they distribute their liquid assets. Individuals with robust self-control tend to demonstrate substantially greater consistency when executing critical investment decisions and organizing their capital funds in a highly structured manner (Gambetti & Giusberti, 2019; Sathya & Gayathiri, 2024; Subedi & Bhandari, 2024). Furthermore, empirical research by Sekścińska et al. (2021) indicates that self-control yields a positive impact on the overall likelihood of investing, with disciplined individuals dedicating greater financial resources toward long-term wealth accumulation options.

Self-control is also closely linked to personal risk appetites. Those with high self-control generally exhibit more caution, steering clear of unwarranted risk exposure and speculative trading (Güven & Hoxha, 2015). Within behavioral frameworks tracking student investment habits, self-control significantly dictates intentions to participate in high-stakes investments (Elshaer & Sobaih, 2023). Additionally, self-control dampens the negative fallout from common behavioral biases like regret aversion and loss aversion, paving the way for more rational investment choices (Srinivasan, 2023). Even though its exact role can fluctuate depending on specific institutional conditions, aggregate empirical data confirms that self-control directly helps establish regulated, consistent, and methodical investment behavior (Yürük, 2025).

H5: Self-control has a positive and significant influence on investment behavior.

The Influence of Self-Control as a Mediator Variable

Financial literacy and financial attitude serve as primary determinants in dictating investment behavior. Nevertheless, the structural pathways through which they exert influence frequently incorporate complex psychological variables, such as personal self-control. On a direct level, financial literacy yields a favorable impact on investment behavior by refining an individual's capacity to interpret risks and opt for logical investment instruments (Seraj et al., 2022). Even so, empirical evidence reveals that self-control can act as an intervening factor in this dynamic. In particular scenarios, superior financial literacy correlates with a reduction in self-control stemming from heightened overconfidence, which sequentially alters investment outcomes (Yürük, 2025). This suggests that self-control acts as a psychological conduit connecting financial knowledge to investment choices.

A constructive financial attitude is demonstrated to directly sway investment behavior (Singh et al., 2024; Kumar et al., 2025). Self-control reinforces this connection, given that highly disciplined individuals are better equipped to convert their positive mindsets into concrete investment practices (Mabkhot & Talat, 2023). Moreover, self-control helps sustain consistency across financial actions and broader economic well-being (Mengal et al., 2025). Hence, self-control operates not merely as an autonomous driver but also as a mediating structure that clarifies how both financial literacy and financial attitude govern investment behavior.

H6: Self-control mediates the effect of financial literacy on investment behavior.

H7: Self-control mediates the effect of financial attitude on investment behavior.

Figure 1 presents a conceptual model that examines the effects of financial literacy and financial attitude on investment behavior, both directly and indirectly through self-control. The model proposes that financial literacy and financial attitude influence self-control, which subsequently affects investment behavior. In addition to these direct relationships, self-control is positioned as a mediating variable that strengthens the influence of financial literacy and financial attitude on investment behavior. This

framework suggests that individuals with better financial knowledge and more positive financial attitudes are more likely to develop stronger self-control, leading to more rational and effective investment decisions.

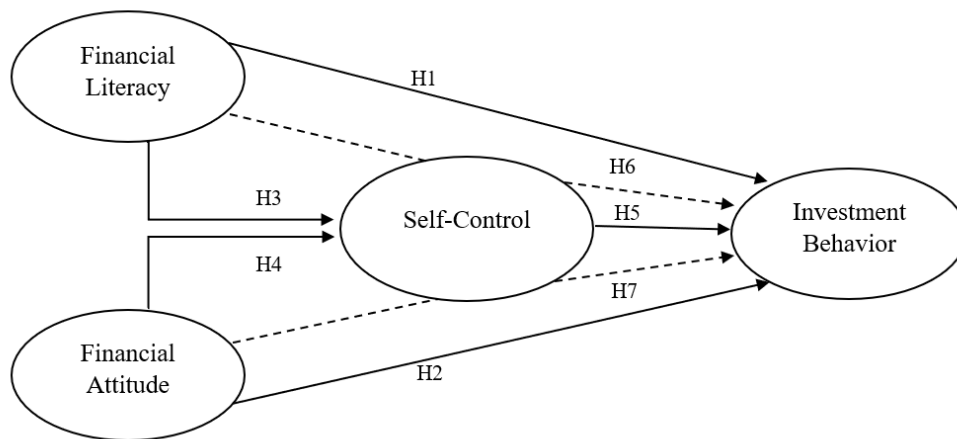


Figure 1. Research Framework

RESEARCH METHODS

This investigation applies a quantitative methodology paired with an explanatory research framework to evaluate the structural relationships between financial literacy, financial attitude, self-control, and investment behavior. This specific causal design was selected to clarify the directional dynamics and underlying mechanisms linking the variables in accordance with the established hypotheses. By utilizing a structural approach, the study aims to uncover how cognitive capabilities and psychological mindsets systematically translate into actual market actions. The operationalization of these concepts allows for empirical validation of behavioral finance theories within a contemporary digital landscape.

The target population comprises Generation Z individuals residing in Jakarta who possess practical experience with at least one type of financial asset, such as equities, mutual funds, fixed-income securities, or cryptocurrency. Jakarta was selected as the primary research setting due to its dense concentration of youthful market participants and widespread availability of electronic brokerage platforms. Data gathering took place over a designated four-month period between September and December 2025. This study utilized a non-probability purposive sampling approach, selecting active participants who met the specific criteria of being between 18 and 27 years old and having engaged in active investing over the preceding twelve months. The final sample size totaled 200 valid respondents, which fully satisfies the baseline threshold for robust estimation under the chosen structural framework.

Primary data were gathered utilizing a structured online questionnaire distributed across digital investor networks. The measurement instrument utilized a standard five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree) to capture nuanced participant responses. The financial literacy construct was assessed using metrics that evaluate the comprehension of core financial concepts, risk mitigation strategies, and asset classes. Financial attitude was operationalized through dimensions focusing on long-term financial planning horizons, disposition toward risk exposure, and asset management leanings. Additionally, the self-control construct was evaluated based on an individual's capacity to defer short-term gratification, manage impulsive urges, and uphold self-discipline within personal budgeting. The investment behavior construct was quantified using dimensions of market entry participation, asset portfolio diversification, and consistency across investment execution.

Data processing was executed utilizing Partial Least Squares-Structural Equation Modeling (PLS-SEM) managed through SmartPLS software. The analytical framework

was completed across two sequential phases: the comprehensive assessment of the measurement model (outer model) and the subsequent evaluation of the structural model (inner model). Convergent validity was verified by analyzing indicator loading factors and Average Variance Extracted (AVE) values, whereas construct reliability was substantiated via Composite Reliability and Cronbach's Alpha scores. Hypothesis verification was conducted by evaluating path coefficients, t-statistics, and p-values generated through a standard bootstrapping technique. This statistical methodology was selected because PLS-SEM successfully accommodates complex frameworks containing multiple intervening paths and operates efficiently without requiring strictly normal data distributions.

RESULTS

Figure 2 presents the results of the structural model analysis generated using the Partial Least Squares Structural Equation Modeling (PLS-SEM) approach. The figure illustrates the relationships among the research variables, including financial literacy, financial attitude, self-control, and investment behavior, along with the loading factors of each indicator and the structural path coefficients between constructs. In addition, the model displays the R-Square values for endogenous variables, which indicate the explanatory power of the independent variables in predicting self-control and investment behavior. Through this model visualization, the study aims to provide a clearer understanding of both the measurement model and the structural relationships proposed in the research framework.



Figure 2. Outer Loading

Table 1. Validity and Reliability Test

Construct	Indicator	Loading Factor	AVE	Cronbach Alpha	Composite Reliability	Information
Financial Literacy (FL)	FL1	0.742	0.575	0.756	0.842	Valid and Reliable
	FL2	0.781				
	FL3	0.715				
	FL4	0.804				
Financial Attitude (FA)	FA1	0.768	0.593	0.732	0.831	Valid and Reliable
	FA2	0.802				
	FA3	0.736				
Self-Control (SC)	SC1	0.771	0.601	0.748	0.846	Valid and Reliable
	SC2	0.813				
	SC3	0.752				
Investment Behavior (BI)	IB1	0.789	0.618	0.781	0.867	Valid and Reliable
	IB2	0.821				
	IB3	0.764				

As presented in Table 1, the measurement model evaluation confirms that all latent variables demonstrate robust psychometric properties. The empirical results reveal that the outer loading factors for every individual indicator of financial literacy (FL1–FL4), financial attitude (FA1–FA3), self-control (SC1–SC3), and investment behavior (IB1–IB3) exceed the conservative threshold of 0.70, spanning across a narrow range from 0.715 to 0.821. Furthermore, convergent validity is firmly substantiated as the Average Variance Extracted (AVE) values for all constructs surpass the 0.50 benchmark, extending from 0.575 up to 0.618, which implies that each latent variable captures more than 50% of its operational variance. Methodological reliability is likewise established, given that the Cronbach’s Alpha scores fall comfortably within 0.732 and 0.781, while the Composite Reliability measurements range from 0.831 to 0.867, both cleanly surpassing the required 0.70 analytical standard. These statistical diagnostics indicate high internal consistency and confirm that all items are valid, reliable, and highly suited for subsequent structural model testing.

Table 2. R-Square Value

Endogenous Variables	R-Square	Category
Self-Control	0.421	Moderate
Investment Behavior	0.536	Moderate

As presented in Table 2, the structural model assessment evaluates the explanatory power of the framework by analyzing the R-squared coefficients for the endogenous variables. The empirical results indicate that the R-Square value for self-control is 0.421, which demonstrates that 42.1% of its variance is systematically explained by the joint influence of financial literacy and financial attitude. Meanwhile, the R-Square value for investment behavior stands at 0.536, revealing that 53.6% of the variance observed in the actual investment practices of Generation Z is accounted for by the collective predictors within the model, including financial literacy, financial attitude, and the mediating role of self-control. According to standard PLS-SEM benchmarks, both coefficients fall comfortably into the moderate category, thereby substantiating that the conceptual model possesses a thoroughly satisfactory and meaningful capacity to explain the target phenomena.

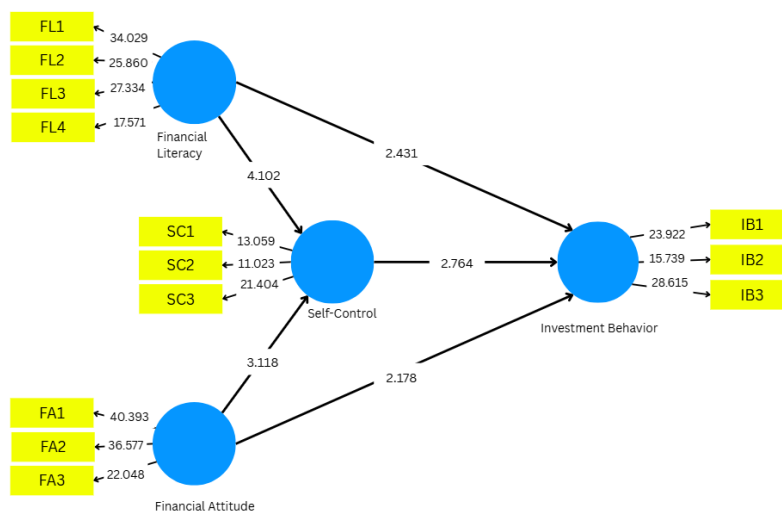


Figure 3. Hypothesis Framework

The empirical results presented in Figure 3 and Table 3 provide the statistical verification for the structural model’s direct pathways, utilizing bootstrapping techniques to evaluate the hypothesized relationships. The data demonstrate that financial literacy exerts a positive and statistically significant direct effect on investment behavior, as

evidenced by a path coefficient of 0.247, a t-statistic of 2.431, and a p-value of 0.015. Similarly, the link between financial attitude and investment behavior is verified to be positive and meaningful, yielding a path coefficient of 0.221 alongside a t-statistic of 2.178 and a p-value of 0.030. These findings imply that higher levels of cognitive financial knowledge and constructive money mindsets directly enhance the quality of execution in asset management among Generation Z.

Table 3. Direct Effect Test

Hypothesis	Path Coefficient	t-statistics	p-values	Decision
Financial Literacy → Investment Behavior	0.247	2.431	0.015	Accepted
Financial Attitude → Investment Behavior	0.221	2.178	0.030	Accepted
Financial Literacy → Self-Control	0.389	4.102	0.000	Accepted
Financial Attitude → Self-Control	0.296	3.118	0.002	Accepted
Self-Control → Investment Behavior	0.268	2.764	0.006	Accepted

Furthermore, the statistical evaluations reveal strong predictive linkages targeting the framework’s primary psychological mechanism. Financial literacy displays a powerful and highly significant positive effect on self-control, producing the highest direct path coefficient in the model at 0.389, supported by a t-statistic of 4.102 and a p-value of 0.000. In parallel, financial attitude carries a positive and significant impact on self-control, generating a path coefficient of 0.296 with a t-statistic of 3.118 and a p-value of 0.002. These metrics substantiate that both cognitive resources and evaluative frameworks play a vital role in reinforcing an individual’s financial self-regulation and discipline.

The final endogenous pathway confirms that self-control has a positive and statistically significant direct influence on active investment behavior. This relationship is substantiated by a path coefficient of 0.268, paired with a t-statistic of 2.764 and an associated p-value of 0.006. Because all five structural paths meet the required statistical criteria, specifically surpassing the standard critical t-value threshold of 1.96 and remaining well below the alpha p-value benchmark of 0.05, all five direct hypotheses are formally accepted. Taken together, these diagnostics indicate that personal discipline is a crucial determinant that actively shapes consistent and rational investment execution.

Table 4. Indirect Effect

Mediation Relationship	Indirect Effect	t-statistics	p-values	Information
Financial Literacy → Self-Control → Investment Behavior	0.104	2.221	0.027	Partial Mediation
Financial Attitude → Self-Control → Investment Behavior	0.079	2.046	0.041	Partial Mediation

The empirical findings presented in Table 4 delineate the structural evaluation of the indirect pathways within the framework, focusing on the intervening capacity of self-control. The statistical analysis demonstrates that self-control functions as a significant psychological bridge connecting both cognitive knowledge and attitudinal dispositions to actual market execution. Specifically, the indirect effect of financial literacy on investment behavior mediated by self-control yields an estimate of 0.104, backed by a t-statistic of 2.221 and a p-value of 0.027. Because this indirect relationship satisfies the critical structural benchmarks, surpassing the absolute t-statistic threshold of 1.96 and staying below the standard significance alpha of 0.05, the hypothesis establishing this mediated pathway is formally supported.

The structural model establishes that self-control significantly channels the relationship between an individual’s money mindset and their ultimate asset selection. The indirect effect of financial attitude on investment behavior via self-control produces an estimate of 0.079, accompanied by a t-statistic of 2.046 and an associated p-value of 0.041. Given that the direct effects from the previous analysis remained statistically meaningful alongside these significant indirect parameters, both structural relationships are categorized as

instances of partial mediation. These results confirm that while financial literacy and financial attitude possess independent explanatory power, their total impact on Generation Z's investment behavior is heavily optimized when passing through the active mechanism of personal self-discipline.

DISCUSSION

The empirical findings of this study offer substantial evidence supporting the conceptual framework grounded in behavioral finance theory. The structural analysis demonstrates that financial literacy exerts a positive and statistically significant influence on investment behavior. This outcome is highly congruent with pioneering investigations by Ahmed et al. (2021) and Seraj et al. (2022), which indicated that individuals possessing higher levels of financial knowledge exhibit a superior capacity to comprehend risk-return parameters, thereby enabling them to execute more rational economic choices. Within the specific context of Generation Z in Jakarta, financial literacy serves as a foundational cognitive resource that expands market participation and elevates the quality of asset management decisions. Furthermore, this finding corroborates prior evidence by Patiu et al. (2025), suggesting that comprehensive financial expertise actively mitigates harmful behavioral biases, including herding tendencies and overconfidence, ultimately steering retail investors toward more prudent, deliberate, and well-considered trading outcomes.

Moreover, financial attitude was also determined to affect investment behavior in a positive and significant manner. This insight highlights that affective and evaluative dimensions are equally essential as cognitive factors in driving active market operations. This finding aligns closely with empirical studies by Talwar et al. (2021) and Kumar et al. (2025), which revealed that individuals who prioritize financial security and future-oriented budgeting planning are significantly more inclined to engage in asset accumulation. From the perspective of behavioral finance, financial attitude mirrors an individual's psychological evaluation of cash management and risk exposure, which subsequently shapes ultimate portfolio allocation. A constructive mindset toward money encourages younger demographics to become highly proactive in securing their long-term financial trajectories, validating earlier assertions by Shah et al. (2024) regarding the critical role that internal psychological readiness plays in shaping active investor behavior.

Another pivotal contribution of this investigation is the confirmation of the positive and significant influence of financial literacy on self-control. This structural link strongly supports the theoretical arguments advanced by Bai (2023), who asserted that financial literacy enhances an individual's underlying psychological capacity, particularly regarding the ability to defer short-term gratification and allocate available resources with strict discipline. Financial literacy does not merely improve conceptual knowledge, but actively fosters highly regulated behavioral patterns. In the context of Generation Z consumers, who are heavily exposed to intensive digital lifestyles and impulse buying triggers, such knowledge serves as a vital defensive instrument that promotes long-term stability through enhanced self-regulation. Sequentially, a positive financial attitude was also verified to yield a positive and significant impact on self-control. This dynamic is consistent with the literature by Strömbäck et al. (2017) and Owusu et al. (2022), which emphasized that a responsible financial outlook stimulates disciplined budgeting routines. Long-term planning horizons cultivate a robust internal locus of control and heightened financial self-efficacy, which, according to Faique et al. (2017), are recognized as core drivers of consistent personal self-discipline.

The structural framework confirms that self-control exerts a direct, positive, and significant influence on active investment behavior, while simultaneously serving as a crucial partial mediator. This direct relationship reinforces early behavioral studies by Gambetti and Giusberti (2019) and Sekścińska et al. (2021), which postulated that individuals with advanced self-regulation tend to allocate capital more systematically and are less vulnerable to volatile, short-term market pressures. Elevated self-control also minimizes disruptive emotional biases such as loss aversion, a finding that perfectly mirrors the conclusions drawn by Srinivasan (2023) concerning the strategic preservation

of objective trading logic. Through the mediation analysis, this study demonstrates that the cultivation of investment behavior operates via two distinct mechanisms: a direct cognitive pathway and an indirect psychological pathway channeled through self-control. Collectively, these insights enrich the existing literature by proving that fostering sustainable investment behavior among Generation Z requires a thorough integration of cognitive intelligence, affective attitudes, and self-regulatory willpower.

CONCLUSION

This study confirms that investment behavior among Generation Z in Jakarta is shaped by an integrated dual-pathway mechanism consisting of cognitive, affective, and self-regulatory dimensions. The empirical findings reveal that both financial literacy and financial attitude exert direct, positive, and significant influences on actual investment behavior and self-control. Self-control serves as a vital psychological bridge that partially mediates these relationships, demonstrating that financial knowledge and positive mindsets are significantly optimized when channeled through personal self-discipline. These insights carry substantial practical implications for financial educators and policymakers, indicating that successful youth financial initiatives must look beyond mere conceptual knowledge. Educational frameworks should be comprehensively redesigned to actively cultivate future-oriented financial mindsets and strengthen digital self-regulation techniques to curb impulsive trading.

Nevertheless, several limitations must be acknowledged to guide future research trajectories. This investigation was restricted to a sample size of 200 respondents within the urban environment of Jakarta, which may limit the generalizability of the findings to broader regional contexts across Indonesia. Additionally, the data relies heavily on self-reported questionnaires, which are occasionally susceptible to subjective biases. Future research should expand the geographical scope to include a more diverse demographic profile and consider integrating longitudinal data designs to track how the mediating role of self-control evolves over time amid volatile macroeconomic fluctuations and changing technological landscapes.

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