



The Influence of Financial Literacy, Investment Knowledge, Education, and Parents' Work on Their Children's Investment Intentions in The Capital Market (Case Studies in the Special Regions of Yogyakarta and Central Java)

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ABSTRACT

This study investigates the influence of parents' financial literacy, investment knowledge, educational background, and occupational status on Generation Z's investment intentions in Indonesia amid their growing participation in the capital market. Using a quantitative approach with purposive sampling, data were collected from 199 stock investors in the Special Region of Yogyakarta and Central Java and analyzed using Partial Least Squares-Structural Equation Modeling (PLS-SEM). The findings reveal that parents' financial literacy, investment knowledge, and educational background do not significantly affect investment intentions, whereas occupational status has a positive and significant influence, highlighting the importance of family economic capacity. The results also indicate that Generation Z relies more on independent learning and digital information than parental guidance. This study contributes to behavioral finance literature by emphasizing parental socioeconomic characteristics, particularly occupational status, as key determinants of investment intentions in emerging markets.

INTRODUCTION

Many individuals engage in investment activities to preserve and grow their wealth over time. In general, they allocate financial resources with the expectation of generating favorable returns and achieving long-term financial objectives. In Indonesia, investors have access to a diverse range of investment instruments, including gold, real estate, time deposits, Bank Indonesia certificates, bonds, warrants, stocks, and various other financial products (Miswanto & Putri, 2023). Among these alternatives, stocks are widely recognized as offering the greatest potential for high returns, although they are also associated with relatively higher levels of risk (Hidayat & Kayati, 2020).

Against this backdrop, the capital market has emerged as a key pillar of economic development and a central component of the financial system, playing a strategic role in supporting a country's economic growth by facilitating the mobilization of funds from investors to productive sectors (Purnamasari, 2025). In Indonesia, the capital market has experienced substantial growth and development alongside the country's expanding economy and increasing public awareness of investment opportunities. Participation in the capital market is no longer limited to business professionals and experienced investors; it has gradually expanded to include broader segments of society, particularly university students and other young adults. This growing interest highlights the importance of understanding the factors that shape young people's investment intentions, as investment decisions are influenced by family background, financial socialization, educational background, and family-related socioeconomic characteristics.

Understanding investment intention requires examining both individual and environmental factors that shape financial decision-making. Educational background helps develop knowledge, analytical skills, and an understanding of investment concepts, which in turn influence investment-related behavior (Elfa et al., 2026). Similarly, prior investment experience can increase confidence and improve an individual's ability to respond to capital market opportunities and risks. Beyond these personal factors, the family serves as one of the earliest and most influential environments for financial socialization. Parents' financial understanding and investment experience may shape their children's investment perceptions by providing guidance, encouragement, and practical support in financial decision-making (Miswanto & Riana, 2021). Therefore, parents with strong financial and investment knowledge may contribute positively to their children's investment intentions and readiness to participate in the capital market (Ni'a, 2021). Against this conceptual background, the present study focuses on young people in the Special Region of Yogyakarta (DIY) and Central Java Province to examine the factors that influence their intention to invest in the Indonesian capital market. Specifically, this study investigates whether parental financial literacy, investment knowledge, educational background, and occupational status help shape their children's investment intentions (Lara et al., 2018). By exploring these relationships, the study seeks to deepen understanding of the role of family-related factors in the financial decision-making of the younger generation.

In light of the growing participation of young people in the capital market, identifying the factors that influence investment intention has become increasingly important. Although previous studies have extensively examined the effects of financial literacy, investment knowledge, and demographic characteristics on investment intention, empirical evidence concerning the role of parental characteristics remains limited and inconclusive, particularly in the context of Generation Z in emerging economies. Existing research has predominantly focused on individual financial capabilities while paying relatively little attention to the extent to which parents' socioeconomic backgrounds shape their children's investment intentions. To address this research gap, the present study adopts a broader perspective by simultaneously examining the influence of parents' financial literacy, investment knowledge, educational background, and occupational status on Generation Z's investment intention. In particular, the study explores whether parents' occupational status, as an indicator of family economic resources, exerts a stronger influence on investment intention than the intergenerational transmission of financial knowledge. By providing empirical evidence on these relationships, this research contributes to the literature on behavioral finance and intergenerational financial socialization in emerging markets. Accordingly, the primary objective of this study is to investigate the influence of parents' financial literacy, investment knowledge, educational background, and occupation on Generation Z's investment intentions in Indonesia, and to identify which parental characteristics are most strongly associated with their children's intention to participate in the capital market.

LITERATURE REVIEW

Social Cognitive Theory

Social Cognitive Theory (SCT) provides a comprehensive theoretical framework for explaining how individuals develop behavioral intentions through the interaction of personal factors, environmental influences, and cognitive processes. According to Bandura (1986), individuals learn not only through direct experience but also through observational learning, interpreting, and imitating the behaviors of significant others in their social environment. Furthermore, Bandura (2001) emphasized that social interactions and environmental contexts, including family and media exposure, play an important role in shaping individual attitudes and behavioral intentions. In the context of this study, parents represent an important social environment that may influence Generation Z's investment intention through their financial literacy, investment knowledge, educational background, and occupational characteristics. Therefore, Social Cognitive Theory serves as an appropriate theoretical foundation for explaining the proposed relationships among the study variables and for developing the research hypotheses.

Financial Literacy

The definition of financial literacy includes understanding financial concepts, skills in communicating those concepts, managing personal finances, proficiency in making sound financial decisions, and confidence in planning

effectively for the future. (Remund, 2010) proposes the definition of financial literacy, which consists of: (1) understanding financial concepts, (2) skills in conveying financial concepts, (3) skills in managing personal finances, (4) ability to make appropriate financial decisions, and (5) confidence in effective planning for future financial needs. Financial literacy is related to a person's ability to manage their finances. Financial literacy is achieved when an individual has the skills and knowledge to optimize available resources to achieve their financial goals. However, financial knowledge is an inseparable part of financial literacy (Huston, 2010). According to Miswanto et al. (2024), financial literacy contributes significantly to individuals' ability to choose and use financial products and services that suit their needs, plan their finances effectively, and take responsibility for their financial decisions. In addition, financial literacy also plays an important role in encouraging the growth of the financial services sector.

Investment Knowledge

Investment is a form of expenditure made to obtain future economic or financial benefits in the future (Fitriasuri & Simanjuntak, 2022). Unlike a purchase, where a buyer buys a good or service to meet the needs of personal consumption or use (Wulandari & Miswanto, 2022), investment is made in the hope that the assets owned will increase in value, generate dividends, or provide cash flow that can create returns in the long term.

In investing, investors must have investment knowledge. Investment knowledge is the understanding a person needs of various aspects of investing, ranging from basic investment assessment and the level of risk involved to the expected return on investment (Pajar & Pustikaningsih, 2017). Investment knowledge can be obtained from various sources, be it through formal education, non-formal education, or activities such as training and seminars in universities. Individuals with limited knowledge of investing tend to choose investments that suit their understanding and risk tolerance. Skills in investing are essential to reduce the risk of loss and achieve optimal returns from investments. Financial literacy refers to individuals' ability to manage their finances effectively (Indrayani & Permadi, 2022).

Education

Education can be understood as the result of a cultural process, inherited from generation to generation by every nation, that develops through the mindsets of people who adopt the norms and values of their civilization. The education also includes education in the field of investment. This Investment Education is a series of counseling and training activities delivered to individuals or groups with the aim that they can understand how the mechanisms are applied to the capital market, in the hope of fostering intention for potential new investors who will help maintain and strengthen the stability of the capital market (Ni'a, 2021).

Work

Parents' work can be divided into two categories: entrepreneurs and non-entrepreneurs. The entrepreneur group consists of parents who run their own businesses. In contrast, the non-entrepreneurial group consists of parents who work as private employees, civil servants, SOE/BUMD employees, bank employees, doctors, nurses, pharmacists, TNI/Polri, government officials,

farmers, fishermen, laborers, or other professions, or even do not work at all (Alfiah et al., 2020; Yuhendri L, 2015).

Investment Intention

Investment intention is closely related to purchase intention, as both reflect an individual's willingness to make a financial decision (Anisah & Miswanto, 2021a; Anisah & Miswanto, 2021b; Patmawati & Miswanto, 2022; Wibisana et al., 2024). While purchase intention generally refers to the intention to buy goods or services, such as consumer products, services, consumables, or industrial goods, investment intention specifically refers to the intention to invest in capital market instruments (Hardani & Kurniawan, 2022; Rohman, 2023). An individual's investment intention is influenced by internal factors, particularly expectations of potential returns and profits from buying and selling financial products (Azhar et al., 2017). Emotional factors also play an important role, as investors often consider the perceived safety and reliability of financial products when making decisions. Consequently, many investors rely on advice from intermediaries, especially authorized financial institutions, to obtain credible information and support sound investment decisions (Azhar et al., 2017).

Hypothesis Development

1. The Influence of Parents' Financial Literacy on Their Children's Investment Intentions in the Indonesian Capital Market

According to Social Cognitive Theory, financial literacy is a personal (cognitive) factor that influences human behavior, as reflected in this context by investment intention. Financial literacy shapes investment intention because, as noted by Remund (2010), investment is an aspect of financial literacy. An investor with a rational attitude can be reflected in investment decisions based on their financial literacy. According to some investment observers, the large number of victims in fraudulent investment cases is due to low financial literacy (Manurung et al., 2018). The frame of thought in this context is that a person who has a good or high level of financial literacy will feel more secure and confident in making investments, which implies that financial literacy affects investment intention. This is consistent with the findings of research conducted by the victims of Manurung et al. (2018) which concluded that financial literacy has a positive influence on investment intention; Thus, the higher the level of financial literacy a person, the more likely they are to have a high intention in investing. Therefore, the author concludes:

H1: Parents' financial literacy has a positive effect on their children's investment intentions.

2. The Influence of Parents' Investment Knowledge on Their Children's Investment Intentions in the Indonesian Capital Market

Based on Social Cognitive Theory, behavior (investment intention) can be influenced by individual/personality factors, which in this context are cognitive factors, namely investment knowledge. This is in line with research by Listyani et al. (2019). In addition, behavior is influenced by the human-made environment, specifically, capital market education in this study. The existing environment also influences personality factors. These three factors have continuous reciprocal relationships in accordance with the Triadic Reciprocal

Relationship Model proposed by Albert Bandura (Putri et al., 2024). Investment knowledge is a person's understanding of the fundamentals of investing. As previously explained, investment knowledge can be gained through formal and non-formal education, including seminars and training. Capital market education is an effort to develop the skills and knowledge related to the capital market, where securities are bought and sold. This education is in the form of capital market training that provides information that individuals can organize into knowledge. From this knowledge, as a cognitive factor in accordance with Social Cognitive Theory, it can affect behavior, in this case investment intention (Fitiasuri & Simanjuntak, 2022; Safitri et al., 2025). Based on this explanation, the researcher formulated:

H2: Parents' Investment Knowledge Has a Positive Effect on Their Children's Investment Intentions.

3. The Influence of Parents' Education on Their Children's Investment Intentions in the Indonesian Capital Market

SCT posits that individuals develop attitudes and behavioral intentions through the reciprocal interaction of personal factors, environmental influences, and observational learning processes (Bandura, 1986, 2001). Within this theoretical perspective, parents' educational background may shape the quality of the family learning environment and the financial experiences shared with their children, thereby influencing the development of investment-related attitudes and intentions through observational learning and social interaction. Parents with higher educational attainment are generally better able to access, understand, and communicate financial information, which may foster a more supportive environment for financial learning and investment-related discussions.

An individual's knowledge of investing is the basis for the personal investment decision-making process (Miswanto et al., 2018). The concept of investment encompasses knowledge of different types of investments, their potential benefits and associated risks, trading systems, analysis techniques, and other relevant topics, including psychological aspects (Miswanto et al., 2022). This knowledge can be obtained from a variety of sources, be it through formal education, such as that provided by colleges, or through non-formal education, such as training (Sharpe, 2005). Prospective investors who have an understanding of investing will be better able to choose the type of investment that suits their needs and intentions. Based on this explanation, the researcher formulated:

H3: Parents' education positively affects their children's investment intentions.

4. The Influence of Parents' Work on Their Children's Investment Intentions in the Indonesian Capital Market

Parents' occupation reflects not only the source of household income but also the socioeconomic environment in which children develop their financial attitudes and behaviors. Consistent with Social Cognitive Theory, parents' occupation may shape children's investment intentions by creating a family environment that provides financial resources, investment-related experiences, and opportunities for observational learning, all of which can influence

subsequent financial behavior (Bandura, 1986; Bandura, 2001). Parents with stable occupations and higher incomes are generally better able to provide financial support for investment activities, including meeting the minimum capital requirements for participation in the capital market. This condition may encourage children to develop stronger investment intentions, as supported by Merawati and Putra (2015), who found that financial resources and investment capital play an important role in increasing students' intention in invest.

H 4: Parents' work has a positive effect on their children's investment intentions

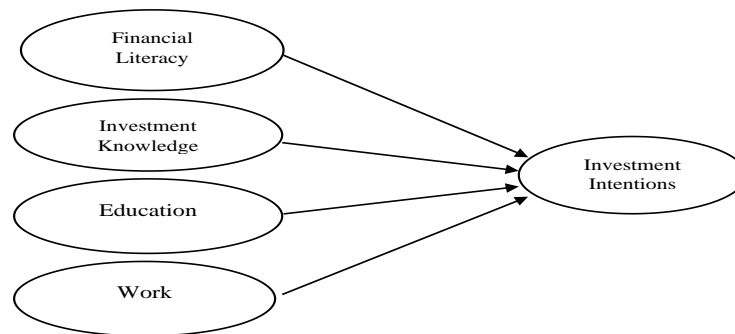


Figure 1. Research Model

METHODOLOGY

Types of Research

This study uses a quantitative approach. The approach facilitates the analysis of regression relationships among the relevant variables, which are then examined using statistical techniques. Through hypothesis testing, this study aims to conclude the social phenomenon under study.

Data, Population, and Sample

In this study, the population comprises individuals who have engaged in stock buying and selling transactions in the DIY area and Central Java Province. The data used are primary data collected through online questionnaires distributed via Google Forms, and the sample criteria are determined by screening individuals who have engaged in stock buying and selling transactions in the capital market. Sample selection was conducted using purposive sampling. The method selects the sample using specific criteria, making population members eligible to be respondents in the sample. The main criteria that can be respondents are investors who invest in the capital market in Indonesia (Hibberts et al., 2012).

The data used were primary data collected through a Google Forms questionnaire and disseminated by researchers from May 27, 2024, to May 31, 2024. The alternative answers to the questionnaire were compiled using the Likert Scale, with the options strongly disagree, disagree, agree, and strongly agree. Strongly disagree options are given a score of 1, disagree is given a value of 2, disagree is given a score of 3, agree is given a score of 4 and strongly agree is given a score of 5.

Variables and Data Analysis

In this study, the independent variables are financial literacy (X1), investment knowledge (X2), education (X3), and employment (X4). The dependent variable is investment intention. Data analysis and hypothesis testing in this study were conducted using the Structural Equation Modeling (SEM) approach. This method is used to solve research problems efficiently. The data analysis process includes measurement model analysis methods (outer model), structural model analysis (inner model), and hypothesis testing. External model analysis is used to measure validity and reliability (Garson, 2016).

RESEARCH RESULT

Description of Respondent Data

The number of respondents was 199 people. The highest order was respondents aged 17 to 25 years, namely 108 people (54%). The second-highest group is respondents aged 26 to 35 years, namely 59 people (30%). The largest group of respondents was students, namely 58 respondents (29%). The second-most respondents were self-employed, at 45 people (23%). The highest order of respondents based on income/allowance per month is those who have an income/allowance of IDR 1,000,000 - IDR 3,000,000, which is as many as 71 people (35.7%). The second-highest order comprises those with an income/allowance of IDR 3,000,000 - IDR 5,000,000, totaling 49 respondents (24.6%). The highest level of education among respondents' parents was Senior High School (SMA), with 73 respondent mothers (37%). The highest level of education of the respondents' fathers was in high school (SMA), which was 74 respondent fathers (37%).

Validity Test

Average Variance Extracted (AVE) is used to assess convergent validity and is considered poor if < 0.5 and good if > 0.5. The AVE is also used to assess the discriminant validity of each latent variable. Table 1 shows that the AVE value in all indicators has a > value of 0.5 and can be interpreted as meeting each variable and having a good measure of convergent validity.

Table 1 Results of Average Variance Extracted (AVE)

Indicator	Average Variance Extracted (AVE)	Information
Financial Literacy	0.500	Valid
Investment Intention	0.561	Valid
Education	0.678	Valid
Investment Knowledge	0.541	Valid
Work	0.774	Valid

Discriminant validity assesses the difference between constructs: the correlation of an indicator with a latent variable must be greater than the correlations of indicators from other variables. The results of the Discriminant validity test are the cross-loadings, as shown in the cross-loadings table.

Table 1 Discriminant Validity Test Results

Indicator	Question	Correlation with Variables	Values Latent	Correlation with Variables	Values Other	Information
Financial Literacy	FL1	0.641	0.589	0.274		Valid
			0.346	0.009		
			0.601	0.229	Valid	
	0.270	0.098				
	FL2	0.733	0.389	0.229		Valid
			0.177	0.159		
			0.332	0.175	Valid	
	0.139	0.067				
	FL3	0.852	0.511	0.307		Valid
			0.307	0.315		
			0.008	0.521	Valid	
	0.337	0.337				
Investment Knowledge	FL4	0.661	0.311	0.106		Valid
			0.601	0.370		
			0.356	0.026		
	FL5	0.538	0.306	0.354		Valid
			0.264	0.264		
			-0.028	0.585	Valid	
	0.394	0.394				
	FL6	0.775	0.433	0.084		Valid
			0.567	0.484		
			0.483	0.076	Valid	
	0.392	0.392				
	IK1	0.678	0.437	0.446		Valid
0.003			0.631			
0.631			0.423	Valid		
0.423	0.423					

			0.350	
			0.051	
			0.220	Valid
	IK7	0.648	0.280	
			0.284	
			0.089	
			0.414	Valid
	IK8	0.787	0.397	
			0.423	
			0.037	
			0.452	Valid
	IK9	0.848	0.478	
			0.475	
			0.092	
Education			0.304	Valid
	ED1	0.920	0.442	
			0.725	
			0.215	
			0.276	Valid
	ED2	0.918	0.462	
			0.707	
			0.179	
			0.295	Valid
	ED3	0.942	0.456	
			0.717	
			0.145	
			0.262	Valid
	ED4	0.934	0.450	
			0.690	
			0.119	
			0.317	Valid
	ED5	0.811	0.472	
			0.721	
			0.116	
			0.003	Valid
	ED6	0.326	0.133	
			0.246	
			0.012	
			0.276	Valid
	ED7	0.730	0.446	
			0.673	
			0.081	
Work			0.310	Valid
	WK1	0.868	0.499	
			0.754	
			0.177	
			0.284	Valid
	WK2	0.913	0.526	
			0.797	
			0.178	
	WK3	0.920	0.249	Valid

			0.475	
			0.779	
			0.229	
			0.261	Valid
	WK4	0.921	0.510	
			0.769	
			0.204	
			0.219	Valid
	WK5	0.768	0.318	
			0.480	
			0.326	
Investment Intention			0.115	Valid
	II1	0.763	-0.015	
			-0.026	
			0.118	
			0.129	Valid
	II2.	0.767	0.073	
			0.129	
			0.187	
			0.056	Valid
	II3	0.758	0.080	
			0.162	
			0.232	
			0.137	Valid
	II4	0.696	0.160	
			0,234	
			0.245	
			0.117	Valid
	II5	0.760	0.078	
			0.151	
			0.235	

Table 2 above shows that the latent variable indicator has a higher correlation than the other variable indicators, indicating that all research indicators are valid and can be used in further research.

Reliability Test

Composite reliability is used to measure the consistency of a variable, as assessed by Cronbach's alpha, or the consistency of respondents' answers in each item. Composite Reliability is considered good if > 0.7 and bad if < 0.7 .

Table 3 Reliability Test Results

Variables	Composite Reliability	Information
Financial Literacy	0.855	Reliable
Investment Intention	0.865	Reliable
Education	0.933	Reliable
Investment Knowledge	0.911	Reliable
Work	0.945	Reliable

Table 3 above shows all composite reliability values > 0.7 . The value indicates that all variables of this study meet the composite reliability with good values.

Inner Model Testing

The evaluation of the structural model was conducted by examining the relationships among the constructs, the coefficient of determination (R^2), and the significance of the path coefficients using t-statistics. In general, a higher R^2 value indicates greater predictive accuracy of the structural model. The results show that the R^2 value for the investment intention construct is 0.095, indicating that parents' financial literacy, investment knowledge, educational background, and occupation collectively explain 9.5% of the variance in Generation Z's investment intention. Although this level of explanatory power is relatively low, it suggests that investment intention is a multidimensional construct influenced by numerous factors beyond parental characteristics. Consequently, approximately 90.5% of the variance in investment intention may be explained by variables not included in the present study, such as individual financial attitudes, risk tolerance, peer influence, financial self-efficacy, digital financial exposure, or investment experience.

The next step in evaluating the inner model is to assess its quality using the Standardized Root Mean Square Residual (SRMR). The SRMR is commonly used to evaluate the overall fit of a PLS-SEM model, with values below 0.08 indicating a good fit, and values below 0.10 generally considered acceptable (Hamid & Anwar, 2019). In this study, the SRMR was 0.094, below the 0.10 threshold. Therefore, the proposed structural model can be considered to have an acceptable level of fit, indicating it is suitable for further analysis and hypothesis testing.

The next step in the inner model is testing quality indices. Quality indices are tests used to assess the path model. A model is considered to have an acceptable fit when the SRMR value is < 0.08 , while an SRMR value between 0.08 and 0.10 is classified as an acceptable fit model. The SRMR was 0.094 in both the saturated and estimated models. The SRMR value is less than 0.10, indicating that the line model is a good fit and remains acceptable (Hamid & Anwar, 2019).

The f^2 (effect size) test was conducted to evaluate the magnitude of the contribution of each exogenous variable to the endogenous variable. According to the commonly accepted criteria, f^2 values of 0.02, 0.15, and 0.35 indicate small, medium, and large effect sizes, respectively (Hamid & Anwar, 2019). The results show that financial literacy, education, and investment knowledge have f^2 values of 0.015, 0.005, and 0.010, respectively, indicating negligible effect sizes, as they fall below the 0.02 threshold. Meanwhile, the parental occupation variable has an f^2 value of 0.058, indicating a small effect on investment intention, as the value falls between 0.02 and 0.15. These findings suggest that, although parental occupation exerts the strongest effect among the variables examined in this study, its practical contribution to explaining investment intention remains relatively modest.

A multicollinearity test to assess whether there is a strong linear relationship between the dependent and independent variables in a regression.

Based on the results of the Multicollinearity test (not shown), no values exceed 5, indicating no multicollinearity among the variables in this study.

Hypothesis Testing

The hypothesis test in this study is used to determine whether the hypothesis is supported in the sample data, and the hypothesis is then accepted or rejected. This test is carried out by analyzing the model path (path analysis). Therefore, the hypothesis can be considered significant if the p-value is < 0.05.

Table 4 Hypothesis Testing Results

Hypothesis	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics	P Values
Financial Literacy Investment Intention Knowledge	0.149	0.145	0.147	1.014	0.311
Investments -> Investment Intention	-0.131	-0.063	0.165	0.798	0.425
Education -> Investment Intention	-0.116	-0.065	0.171	0.680	0.497
Jobs -> Investment Intention	0.389	0.341	0.166	2.341	0.019

Table 4 mentioned above shows that H1: financial literacy with a P-value of 0.311 > 0.05. Based on these values, H1 is not significant and is unsupported. H2: Investment knowledge has P-values of 0.425 > 0.05. Based on this value, H2 is insignificant and unsupported. H3: Education has P-values of 0.497 > 0.05. The value indicates that H3 is not significant and therefore unsupported. H4 has a significant P-value, with 0.019 < 0.005.

DISCUSSION

The Influence of Parents' Financial Literacy on Their Children's Investment Intentions

The findings of this study indicate that parents' financial literacy does not have a significant positive effect on their children's investment intentions. One possible explanation is that many respondents' parents have relatively low educational attainment, with the majority having completed no more than senior high school, which may limit their ability to effectively transmit financial knowledge. From the perspective of Social Cognitive Theory, individuals acquire knowledge and develop behavioral intentions not only through direct interactions with family members but also through observational learning within their surrounding environment. In the case of Generation Z (Bandura, 1986; 2001), digital media and online platforms have become important sources of

financial information and social learning, potentially reducing their reliance on parental financial literacy as the primary reference for investment decisions. This interpretation is consistent with the respondents' demographic characteristics, the majority of whom belong to Generation Z. This cohort is highly engaged with social media and digital technology.

These findings are supported by Anan and Devi (2023), who argued that the surrounding environment significantly influences an individual's intention to invest, particularly in an era of rapid technological advancement and increasing access to investment-related information. Similarly, Sari et al. (2022) found that information technology has a positive and significant effect on investment intention, suggesting that digital platforms have become effective channels for improving financial awareness and encouraging investment participation among young people. Taken together, these findings suggest that Generation Z may rely more heavily on digital sources of financial learning than on intergenerationally transmitted financial literacy from their parents when forming investment intentions.

The Influence of Parents' Investment Knowledge on Their Children's Investment Intentions

The findings of this study indicate that parents' investment knowledge does not significantly affect their children's investment intentions. One possible explanation for this result is that respondents' parents' investment knowledge is relatively limited, thereby reducing their ability to shape their children's investment intentions. From the perspective of Social Cognitive Theory, limited knowledge of parental investment may weaken the observational learning process within the family, thereby reducing parents' capacity to serve as effective financial role models for their children (Bandura, 1986, 2001). Among the 199 respondents who participated in this study, the majority were between 17 and 35 years old. Based on the respondents' age profile, it is reasonable to infer that many parents may belong to Generation X or the Baby Boomer generation. According to Anastasia et al. (2019), financial literacy differs across generations, with millennials generally demonstrating higher levels of financial knowledge than Baby Boomers. These generational differences are largely attributed to variations in socio-economic conditions, educational opportunities, and technological developments experienced during their formative years, which subsequently shape distinct financial behaviors and decision-making patterns. Furthermore, many respondents' parents have educational backgrounds limited to junior or senior high school, resulting in relatively low levels of financial and investment literacy. This observation is consistent with Anastasia et al. (2019), who argued that Baby Boomers grew up in a period of economic development and tended to adopt more conservative financial attitudes and behaviors.

On the other hand, the majority of respondents in this study belong to Generation Z. This cohort has grown up in the digital era with extensive access to information through technology and online platforms. As a result, they are more likely to acquire investment knowledge independently through social media, formal education, training programs, seminars, and other digital learning resources rather than relying on their parents. This finding is supported by Indrayani and Permadi (2022), who emphasized that investment knowledge can

be obtained from various formal and informal educational channels. In addition, most respondents reported monthly incomes ranging from IDR 1,000,000 to IDR 3,000,000, indicating that their investment activities are generally conducted on a relatively small scale. Consequently, when making investment decisions, particularly regarding stock investments, respondents may not feel the need to seek guidance or approval from their parents because the financial commitment involved remains relatively modest. Taken together, these findings suggest that the insignificant influence of parents' investment knowledge on children's investment intentions can be attributed to generational differences in financial literacy, the availability of alternative sources of investment information, and the increasing financial independence of Generation Z in developing their investment knowledge and making investment decisions.

The Influence of Parents' Education on Their Children's Investment Intention

This study finds that parental education does not positively influence children's intention to invest. From the perspective of Social Cognitive Theory (Bandura, 1986; 2001), behavioral intentions are shaped by reciprocal interactions among personal factors, environmental influences, and learning experiences, rather than by formal educational attainment alone. For Generation Z, the digital environment provides abundant opportunities for observational learning and access to financial information, thereby reducing the relative importance of parents' educational background in shaping investment intentions. The respondents in this study, who predominantly belong to Generation Z, are highly active on social media and are continuously exposed to diverse financial information, making them less dependent on parental guidance when making investment decisions. Furthermore, with monthly incomes ranging from IDR 1,000,000 to IDR 3,000,000, their investment activities are generally conducted on a relatively small scale, allowing them to make independent investment decisions without necessarily consulting their parents.

In addition, the demographic profile of the respondents indicates that most of their parents have educational backgrounds limited to junior high school or senior high school. This finding is consistent with Anastasia et al. (2019), who argued that many Baby Boomer-generation individuals grew up during a period of economic development and therefore tend to adopt more conservative financial attitudes and behaviors. Consequently, the relatively limited financial knowledge associated with lower educational attainment may reduce parents' ability to influence their children's investment decisions. At the same time, the widespread availability of digital financial information enables Generation Z to acquire investment knowledge independently, further diminishing the role of parental education in shaping their investment intentions.

The Influence of Parents' Work on Their Children's Investment Intentions

The findings of this study indicate that parents' occupation has a significant positive influence on their children's investment intentions. One plausible explanation is that parents with more stable occupations generally possess greater financial capacity, enabling them to provide economic support that facilitates their children's participation in investment activities. Such support may take the form of regular allowances, investment capital, or other financial

resources that reduce barriers to entering the capital market. This finding is consistent with Social Cognitive Theory, which suggests that individuals' behavioral intentions are shaped by environmental conditions and social experiences, indicating that a supportive family socioeconomic environment can foster greater confidence and motivation to engage in investment activities (Bandura, 1986, 2001). Consequently, the economic stability associated with parents' occupations may indirectly encourage young individuals to develop stronger intentions to invest. This finding is also consistent with the study conducted by Adiningtyas and Hakim (2022), which reported that pocket money has a direct and significant positive effect on investment intention, suggesting that individuals with greater financial resources are more likely to engage in investment activities. Similarly, Faidah (2019) found that students' income is primarily derived from parental allowances, supplemented in some cases by earnings from part-time employment, and that higher income levels are associated with stronger investment intentions. Collectively, these findings suggest that financial support stemming from parents' occupational and economic circumstances may play an important role in fostering investment intentions among younger generations by enhancing their access to investable funds and increasing their confidence in participating in financial markets.

From a theoretical perspective, this study contributes to the contextual application of Social Cognitive Theory (Bandura, 1986; 2001) by providing empirical evidence that, in an emerging economy, parental economic resources, as reflected in occupational status, may play a more influential role in shaping Generation Z's investment intentions than the intergenerational transmission of financial knowledge. Rather than extending the theory itself, these findings enrich the understanding of how environmental and socioeconomic factors interact to influence investment-related behavior among young individuals in Indonesia (Listyani et al., 2019). From a practical perspective, the findings suggest that initiatives aimed at increasing youth participation in the capital market should not rely solely on improving parental financial literacy or educational attainment. Instead, policymakers, capital market regulators, educational institutions, and financial service providers should strengthen direct financial education for Generation Z through digital platforms while also expanding programs that improve students' access to investment capital and financial inclusion, thereby supporting more sustainable participation in financial markets.

CONCLUSIONS AND RECOMMENDATIONS

This study examined the influence of parents' financial literacy, investment knowledge, educational background, and occupational status on their children's investment intentions in the Indonesian capital market, focusing on the Special Region of Yogyakarta and Central Java. The findings indicate that parents' financial literacy, investment knowledge, and educational background do not significantly influence investment intentions. This result is largely explained by the relatively low levels of financial literacy and education among parents and Generation Z's preference for obtaining investment information independently through digital media rather than relying on parental guidance.

In contrast, parents' occupational status has a positive and significant effect, suggesting that family economic capacity and access to financial resources play a more important role in encouraging investment participation than the transfer of financial knowledge or educational background.

The study contributes to the behavioral finance literature by providing empirical evidence that, in an emerging-market context, parental socioeconomic characteristics—particularly occupational status—are more influential than cognitive capital in shaping Generation Z's investment intentions. These findings challenge the conventional assumption that parental financial literacy is a prerequisite for children's investment behavior.

However, this study has several limitations. The model included only four independent variables and explained a limited proportion of variance in investment intentions ($R^2 = 9.5\%$). In addition, the sample was dominated by students with relatively small investment volumes and was restricted to two provinces, limiting generalizability. Future research should involve larger and more diverse samples, broader geographical coverage, and additional variables such as investment motivation, self-efficacy, social media influence, and financial influencers to develop a more comprehensive model of investment intentions.

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