

# Saving In Stock In Generation Z

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**Abstract** :The purpose of this study is to dig deeper into the level of financial literacy among Generation Z regarding their interest in saving in shares. This is based on the reason that Generation Z is a generation that has quite potential in capital market investment activities. The population are people belonging to Generation Z who live in Yogyakarta. Decisions made to invest at an early stage in their financial life, including in the form of saving in shares, can have a long-term impact on their lives. Financial literacy is one of the keys to understanding the risks and opportunities that arise from saving in shares. Through a qualitative descriptive approach, this research focuses on the important role of financial literacy and financial ability in saving shares among Generation Z. **Keyword**: Financial Literacy, Financial ability, Generation Z, Investment.

## 1 Introduction

Capital market investors have experienced consistent growth over the last few years. In terms of demographics, KSEI data as of September 2023 shows that capital market investors in Indonesia are dominated by Millennials (aged 31 – 40 years) and Gen Z (aged 30 years and under) with numbers reaching more than 80%. This is in line with the level of investor education which is dominated by General High School (SMU) graduates with a total of 60.28%. [1]. Young investors' asset ownership tends to increase compared to last year. This shows the increasing enthusiasm of young investors. [2]

Saving in shares is a form of investment in the capital market. The choice to save in shares is an important strategy for individuals in maintaining financial stability in the future. Utilizing savings in the form of saving shares can provide financial security in the future. For Generation Z, technological developments and changes in consumption patterns have had a significant impact on managing their personal finances [3],[4]. Decisions made to invest at an early stage in their financial life, including in the form of saving in shares, can have a long-term impact on their lives. Financial literacy is one of the keys to understanding the risks and opportunities that arise from saving in shares. [5]

The purpose of this study is to explore more deeply the level of financial literacy among Generation Z regarding their interest in saving in shares. This study used a qualitative

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descriptive method to investigate the significance of financial literacy and financial capability in relation to Generation Z's share saving [6], [7].

## 2 Financial Literacy and Saving in Stocks

Financial literacy is knowledge and comprehension of financial concepts and risks, along with the abilities, drive, and self-assurance to utilize this knowledge and comprehension to make wise decisions in a financial context, enhancing financial well-being for both individuals and the community Introduction [8], [9]. The understanding, information, abilities, attitudes, and behaviors required to foster financial awareness and ultimately lead to personal wealth can also be referred to as financial literacy[10],

## 3 Research Methods

This study is a qualitative descriptive research. The goal of this research is to present a thorough understanding of the social context or the connections between the phenomena under investigation. The purpose of this study is to provide an explanation for Yogyakarta's Gen Z population's degree of financial literacy and competence. The study's population consists of generation Z who live in. Convenience sampling, a non-random sample technique, was used to carry out the sampling [11], Data was obtained through distributing questionnaires which will reveal data regarding the field of financial literacy, which includes literacy about expenses, credit, savings, insurance and investment; as well as financial capability data. The literacy and financial capability data analysis [12] method is calculated based on the average of each survey question and falls into five categories .[13], [14]. The spectrum ranges from people with excellent financial literacy to those with little or no financial literacy. To observe the influence of variables, multiple linear regression analysis techniques are used [15],[16].

## 4 Results and Discussion

Financial literacy is a skill that everyone must have to improve their standard of living by understanding how to plan and allocate financial resources appropriately and efficiently[5]. Individuals who have excellent financial literacy skills and knowledge will be able to be responsible, and have good ability to manage their finances. The findings of observations regarding the respondents' degree of financial literacy are presented in Table 1.

**Table 1.** Generation Z's Financial Literacy Level

Lit era cy	Male		Female		Average		Informatio n
	Score	Achievem ent Level	Score	Achievem ent Level	Score	Achiev eme nt	

						Level	
Expenditure	4,04	81%	3,461	69%	3,751	75%	Good
Saving	4,193	84%	4,086	82%	4,14	83%	Very Good
Credit	4,08	82%	4,01	80%	4,045	81%	Very Good
Investment	4,32	86%	4,275	86%	4,298	86%	Very Good
Insurance	4,2	84%	4,175	84%	4,188	84%	Very Good
Average	4,167	83%	4,002	80%	4,084	82%	Very Good

Based on Table 1, The level of financial literacy has an average value 4,167 (83%) which is in the very good category. In each area of financial literacy, the level of expenditure literacy has an average value 3,751 (75%) which is in the good category, the level of credit literacy has an average value 4,14 (83%) which is in the very good category, the level of literacy savings has an average value 4,045 (81%) which is in the very good category, the investment literacy level has an average value 4,298 (86%) which is in the very good category, and the insurance literacy level is in the 4,188 (84%) and in very good category. Based on gender, the average financial literacy of Generation Z men is slightly higher than women. The results of observations on the financial capabilities of Generation Z are shown in Table 2

**Table 2.** Generation Z's Financial Capabilities

Description	Frequency	Percentage
Very Good	11	17%
Good	35	54%
Fairly Good	15	23%
Poor	1	2%
Not Good	3	5%

Total	65	100%
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Table 2 explained that 54% generation Z has financial capability in the good category, 23% in the quite good category, 2% in the poor category, and 5% in the not good category. It can be concluded that the financial capabilities of Generation Z in Yogyakarta are in the good category. The results of the F test of the influence of financial literacy and financial capability on interest in saving showed significant positive results where the calculated F significance value was 0.000 less than 5%. Table 3 shows that financial literacy and financial ability have an influence of 69% and the rest is influenced by other variables outside the research.

**Table 3.** Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.636	.700	.609	.28481	.700	70.999	2	61	.000	1.919

a. Predictors: (Constant), X2, X1

b. Dependent Variable: Y

## 5 Conclusion

Generation Z financial literacy shows that Generation Z on average has very good financial literacy. Thus, Generation Z in Yogyakarta has good skills and abilities in making decisions about saving in shares. In terms of financial capabilities, Generation Z in Yogyakarta shows good capabilities. In general, individuals who have good financial capabilities tend to be interested in saving their funds, one of which is in the form of shares. Apart from that, those who have good financial capabilities and have previous investment experience will have more interest in saving in shares.

Financial literacy and financial ability influence the interest in saving shares among Generation Z in Yogyakarta. In Yogyakarta, Generation Z performs better in terms of financial management and financial decision-making the more financially literate and capable they are.

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