The Influence of Financial Literacy and Heuristic Behavior on Generation Z's Investing Decisions During a Global Pandemic

Hendry Hartono1*, Erwin Halim2, Ardella Aswieri1, Daniel Suharli1, and Michelle Aurella1

1Management Department, BINUS Business School Undergraduate Program, Bina Nusantara University, Jakarta, Indonesia 11480
2Information Systems Department, School of Information Systems, Bina Nusantara University, Jakarta, Indonesia 11480

Abstract. This study seeks to determine how Financial Literacy and Heuristic Behaviour influence Generation Z's Investing Choices during the pandemic. The research sample consisted of 330 Generation Z respondents in the JABODETABEK region between the ages of 18 and 24. This study employs survey methodology and data collection in the form of a Google form questionnaire. Using WarpPLS version 7.0 software, the data were manipulated. The findings of this study indicate that Financial Literacy has a significant positive effect on investment decisions. Financial Literacy has a significant positive influence on investment decisions through perception risk. Heuristic Behaviour has a significant positive effect on investment decisions. Heuristic Behaviour has the greatest influence on investment decision through perception risk compared to other variables. Generation Z is projected to be courageous and willing to make financial decisions, despite being cautious about avoiding risks. It is hoped that future studies will evaluate what investments will be based on generational, technological, and product disparities.

1 Introduction

Every person has a future-oriented ambition or purpose in life that continues to expand. Every person desires a prosperous life, free from financial and other obstacles. To achieve this, everyone must consider several means of achieving their goals, such as generating passive income through investments for stable finances or working hard and saving a substantial amount of money to reach financial independence. Financial Independence is the availability of adequate funds to cover personal and family demands and other transactions [1]. A person who has attained financial independence must have financial goals that play a significant role in assessing financial literacy; with these measurements, a person can have direction in directing himself to financial independence. By having financial literacy and measurement skills, one may make decisions based on accurate data [2].

Generation Z consists of those born between 1995 and 2010, ranging in age from 11 to 26. Which is where they were born during the widespread usage of technology and the internet and the simplicity of making payments or doing business operations. So that Generation Z will comprehend technology and the internet, and it would be easier for them to obtain information compared to a world without technology and the internet. The youngest generation to enter the workforce is Generation Z. This generation is frequently referred to as the Internet generation or the regeneration. Generation Z is increasingly socializing online. Generation Z mirrors generation Y, except generation Z can perform all activities simultaneously (multitasking), such as using a mobile phone to access social media, a computer to browse the web, and a headset to listen to music. Everything you do relates mostly to the virtual world. This generation has been accustomed with technology and sophisticated devices since childhood, which has an indirect effect on personality [3].

Investing is something that many people engage in, which is natural. Investment is one of the development tools required to improve the good or welfare of the state's required population. Investing on the capital market is a novel concept for Indonesians compared to other nations [4]. An investment is one of the passive incomes that are advantageous for the future of old age. Most people believe that investments can generate worthwhile returns if managed properly. But there are still a significant number of persons who do not comprehend the significance of their own assets, and thus fall victim to the downturn. This occurs owing to a lack of insight into capital market investment and a lack of public information regarding capital market profitability. The most recent information is that one village in Gorontalo was duped by the death appeal of buying and selling foreign currency or forex. Investment fraud affects as much as 95% of the population, or nearly one town. This may occur because of people blindly trusting the information they possess, or the information influenced by others without knowing the investment's direction. The supervision of the Ministry of Commerce is questioned since one village was deceived by foreign

* Corresponding author: hhartono@binus.edu
In addition to businesses and employees, students now exhibit an interest in investing. Due to the rapid technological progress of generation Y or Millennials, generation Z students have an extremely intimate relationship with technology.

The abbreviation KSEI refers to the Indonesian Central Securities Custodian Institute. KSEI or PT KSEI is an Indonesian custody and settlement organization for the capital market. KSEI is required by Law No. 8 of 1995 pertaining to Capital Markets to provide efficient custody and security services in compliance with applicable regulations. PT KSEI was founded on December 23, 1997, as part of the country's capital market framework and its own regulatory agency. This organization's objective is to be accountable for the enforcement of capital market regulations. KSEI obtained a new position with LPP, a capital market custody and settlement agency, just one year after his term ended.

Table 1. Age based investment player in 2019-2020.

<table>
<thead>
<tr>
<th>Age</th>
<th>2020 (%)</th>
<th>Assets 2020 (in Billion IDR)</th>
<th>Diff. (%)</th>
<th>Asset Difference (in Billion IDR)</th>
<th>2019 (%)</th>
<th>Assets 2019 (in Billion IDR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>≤30</td>
<td>54.7 %</td>
<td>30.82</td>
<td>10.1 ↑</td>
<td>18.49 ↑</td>
<td>44.65</td>
<td>12.33</td>
</tr>
<tr>
<td>31 - 40</td>
<td>22.5 %</td>
<td>68.89</td>
<td>1.88 ↓</td>
<td>37.00 ↑</td>
<td>24.43</td>
<td>31.89</td>
</tr>
<tr>
<td>41 - 50</td>
<td>11.9 %</td>
<td>120.34</td>
<td>4.51 ↓</td>
<td>47.05 ↑</td>
<td>16.42</td>
<td>82.29</td>
</tr>
<tr>
<td>51 - 60</td>
<td>6.56 %</td>
<td>166.36</td>
<td>3.06 ↓</td>
<td>70.42 ↑</td>
<td>9.62</td>
<td>95.94</td>
</tr>
<tr>
<td>&gt;60</td>
<td>4.19 %</td>
<td>360.76</td>
<td>0.69 ↓</td>
<td>113.30 ↑</td>
<td>4.88</td>
<td>247.46</td>
</tr>
</tbody>
</table>

Table 1 show that the increase in the number of investment instrument players by age during the pandemic in 2019-2020. In 2020, the age of most investment instrument players was 30 years with a level of 54.79 percent and total assets of IDR 30.82 billion, whereas in 2019 it was 30 years with a level of 44.56% and total assets of IDR 12.33 billion. High school students attained the highest level of investing by 48.14 percent in 2020 with total assets of 147.16 trillion rupiah (IDR), compared to 32.02 percent in 2019 with total assets of 95.51 trillion rupiah. With this huge increase, we discovered a phenomenon related to the sense of danger while making stock investing decisions, even though high school students do not have their own money. The Covid-19 Epidemic concurrently influenced the increase in the number of investors from 2020 to the previous year. The pandemic caused by the Covid-19 virus, which affected the entire globe, prompted behavioural changes in the population, particularly in Indonesia. To prevent the transmission of the Indonesian virus, face-to-face meetings are prohibited at every office, institution, and school. As a result of the Covid-19 epidemic, there have been changes in the community’s activities and customs. For example, teaching and learning activities that cannot be conducted directly, face-to-face, are now done online, as well as those that need students to attend to school. What occurs is that teaching and learning time is not as intuitive as it is in school, allowing students to have more learning flexibility.

A person who understands the meaning of financial literacy is someone who understands his responsibilities in managing all of his life's demands, including financial and non-financial needs, is able to handle finances wisely, and is not easily duped by improper investment products [5]. OJK is an institution tasked with organizing and monitoring all financial activity. These operations encompass the non-bank financial services sector, including the banking industry, capital markets, insurance companies, pension funds, financial institutions, and other financial services institutions. According to the findings of the Indonesian National Literacy Survey (SNLIK) conducted in 2019 by the Financial Services Authority, the financial literacy index was 38.03 percent, and the financial inclusion index was 76.19 percent. Compared to 2016, both the financial literacy rating of 29.66% and the financial inclusion index of 67.82% have increased.

According to the findings of an interview with a Jakarta-based investment practitioner who has worked in the field of private banking since 2013, there are several viewpoints that many media outlets have been reporting on the issue. Can provide for the younger generation's investment literacy, including social media influencers such as Instagram and YouTube who discuss investments. Also, the younger generation can learn from friends with investment knowledge, parents, and course materials. Irene Anggraini, a key informant, stated that the investment phenomenon that occurred during the pandemic underwent significant changes, as well as an increase in the number of new investors who entered the investment world. This is supported by News – news reporting that new investors have emerged in the pandemic era, particularly among generation Z. Investors with understanding of their investments are deemed mature, and generation Z should have received a high level of financial literacy through their formal schooling, making it possible for them to practice investing directly. In addition to having a solid grasp of financial concepts, an organization should be financially stable. Financial literacy and financial capabilities must be in balance for long-term investments. If investors comprehend the available products and hazards, they will be able to make sound investment decisions. Generation Z is a young investor with sound investment knowledge and the courage to make decisions; they tend to make high-risk investments because they feel brave and ready to face the risks that exist in terms of experience, in addition to the theory taught, but they learn through practice by considering the current state of the market. Now that is extremely agile or dynamic, with daily updates. The most significant aspect of financial
Financial literacy is an important factor to consider when questioning a person's investment decision-making skills, as financial literacy leads to better financial decisions [6]. According to Hussain and Sajjad (2016), financial literacy is the ability to solve financial difficulties effectively and appropriately. In general, financial literacy discusses a person's income, its source, and the effective and efficient use of their money, spending their income by making rational decisions regarding savings or savings based on the circumstances [3]. Financial Literacy is essential for avoiding financial troubles since individuals are frequently faced with situations in which they must trade one interest for the benefit of another.

According to Haque (2020), financial literacy is the combination of understanding, information, skills, and attitudes required to make the appropriate financial decisions that result in financial well-being [7]. Additionally, financial literacy is a skill that enables an individual to comprehend and successfully organize their financial management, as well as make responsible decisions regarding the selection and use of various financial services, thereby ensuring the stability and sustainability of their personal finances. Several definitions of financial literacy are employed by various academics and state bodies. Financial literacy is described as the knowledge, capacity, or skill to use this knowledge, understanding from the perspective of an individual, financial conduct, and financial experience. Frequently, financial literacy is described as the entirety of a certain dimension that focuses on multiple components of the concept of financial literacy, such as money literacy, pricing literacy, budget literacy, and debt commitment literacy.

From the foregoing, it can be deduced that financial literacy refers to a person's general financial knowledge, which encompasses savings, investments, debts, insurance, and other financial instruments. Each bibliographic source defines financial literacy differently, yet all definitions have the same meaning. Financial literacy involves the knowledge and abilities essential for everyone to make the proper judgments when selecting financial products, as well as logical budgeting and emergency savings planning.

### 2.2 Heuristic behaviour

The definition of heuristic behaviour is a rule of thumb, which simplifies decision-making, particularly in complex and uncertain contexts. Subrahmanyam demonstrates that heuristics are generally of little utility, especially when time is restricted. Occasionally, they result in bias [7]. According to Kahneman and Tversky's 1979 paper, Heuristic Behaviour is a golden rule and a spiritual clue that aids in decision-making, particularly in complex and uncertain environments. In heuristics, Kahneman and Tversky introduced three factors: representativeness, availability bias, and anchoring [8].

According to Jay and Perkins (1997), heuristics play a crucial role in decision-making based on rules of thumb. Yet, numerous research demonstrate that heuristics generate numerous biases in complex circumstances. According to Chang and Runco (1993), heuristics played a key role in making quick decisions under time constraints.

Benartzi and Thaler (2007) identified the following biases: Representativeness Bias, Overconfidence, Availability Bias, Anchoring Bias, and Gambler's Fallacy. Heuristics are rules of thumb that facilitate decision-making, particularly in uncertain environments [9]. In uncertain and unexpected circumstances, investors use trial-and-error approaches or rules of thumb to make decisions. When analysing investment alternatives that can eliminate rational conduct in the decision-making process, cognitive and emotional elements are classified into 11 categories, namely: Representativeness, Overconfidence, Anchoring, Gambler's Fallacy, Availability Bias, Escalation of Commitment, Hindsight, Randomness, Herding Effect, Disposition Effect, and Home Bias are examples of common cognitive biases.

### 2.3 Perception risk

Perception is the way investors assess the risk of financial assets, based on their awareness and experience. Risk perception is the uncertainty encountered by consumers when they are unable to predict the outcomes of a purchase decision. This definition of risk perception includes two essential components: uncertainty and consequences. This definition highlights that consumers are influenced by perceived danger, regardless of whether the risk exists. Hazards that are not perceived by consumers will not influence their behaviour.

According to Suryani (2013), risk perception is the uncertainty customers experience when they cannot foresee the potential outcomes of their purchasing decisions. Risk perception is the belief that a consumer's possessions are associated with uncertainty and unforeseen outcomes when engaging in an activity. Risk perception (risk perception) is an investor's perspective on the risks involved in making investing decisions. Conclusion: risk perception is the investor's view of the dangers associated with uncertainty in investment decision making [10].

The perception of risk originates from the study of psychology, and it was originally defined in [11] as the notion that any consumer's choices would have outcomes that he cannot anticipate with confidence, and many of them are negative. In other words, the notion
applies to circumstances in which a buyer must deal with the uncertainty of a new product with both positive and negative results. Hence, when a person perceives that a typical product is at risk, he or she may reduce their buy intent. Consumers' risk perception is evaluated based on their impression of bad outcomes resulting from online transactions. A consumer's perception of risk is the uncertainty they experience when they are unable to predict the future effects of their purchase actions.

2.4 Investment decision

An investment is the purchase of one or more assets with the expectation of future profits, typically over an extended period. The individual who invests is known as the investor. Individual investors (individual investors) and institutional investors are the two broad groups of investors (institutional investors). Individual investors consist of those who engage in investment activities. Institutional investors, on the other hand, include insurance firms, deposit, and credit institutions (banks and thrifts), pension fund institutions, and investment corporations [12].

Investing is the act or process of investing in a party in need of capital with the expectation of earning a profit in the future. An individual who invests capital is known as an investor. Investors who participate in investment activities have distinct but similar objectives. It involves achieving the earnings that investors desire. Yet, investing circumstances are typically unclear. To achieve the desired rate of return, investors must make sound investment decisions. The investment climate is always a long-term process that coincides with the company's growth. Not only is the investment environment evaluated at the beginning of the investment plan, but it is also a strategic variable that determines the investment's performance over the life of the company [11,13].

There are several investment decisions involved in capital market investing decisions. The goal of capital market investors is value increase induced by investment, but these investments do not guarantee returns. Theoretically, a high rate of return or return on investment indicates a high level of risk; thus, there is a positive association between rate of return and risk [14]. Investors are concerned with minimizing investment risk by making the best judgments; attitudes of respondents influence savings and investment decisions. At the mindset level, women are less engaged in investing and make poorer investment judgments than younger ones [13]. In addition, based on gender classification, it is known that men are more inclined to make investment decisions than women, and investing experience also plays an important part in investment decision making. This study investigates the impact of financial literacy on investment decisions in Indonesian society in comparison to research conducted in industrialized and developing nations and can identify patterns in investment decisions. The investment is predicated on the financial literacy of Indonesia.

There are several elements that undermine the rationality of such investors and encourage the rational behaviour of individual investors. The study analyzed five key psychological biases and dependable personal qualities, namely anger traits, anxiety traits, overconfidence, grazing variables, and self-monitoring, as well as the influence of these features on individual investing decisions.

2.5 Relationship between financial literacy, heuristic behaviour, perception risk and investment decision

Financial literacy is an essential aspect in decision-making. Financial literacy involves the management of savings, investments, planning, and insurance coverage. Financially literate individuals can successfully and efficiently manage funds. This is the capacity of investors to make sound decisions on the allocation and management of capital. This is a measurement of a person's understanding of basic financial concepts and ability to handle his or her funds effectively. Those who are financially savvy can make better selections than those who are not [15]. These individuals comprehend both short- and long-term financial planning and can confidently handle varied economic conditions. Financial competence is determined by a person's financial system engagement-related demands, knowledge, and talents.

Investment decisions involving financial instruments necessitate financial literacy, and many young people desire a financial credential. In addition, research demonstrates that insurance coverage and knowledge in the areas of investment, budgeting, and financial savings are the most crucial components of financial literacy. People's lifestyles ought to be reflected in the range of financial information. Financial literacy is considered a reaction to the economic difficulties faced by individuals and families. Those that are literate comprehend the economics, which enables them to handle their cash flow, comprehend how the stock market operates, and possess a variety of logical systems and skills. In addition, financial literacy enables individuals to detect and manage their financial difficulties and become more financially responsible.

Based on the literature study, the following hypothesis can be formulated:

H1: Financial Literacy affects Generation Z's Investment Decision during the pandemic.

Financial knowledge is stock market awareness and participation-related information. Investors withdraw from the stock market due to a lack of stock market expertise and/or inadequate stock market understanding. Many elements can affect an investor's actions, but risk
perception is a major issue. Risk perception is an investor’s evaluation of a situation’s risk [15].

Based on the preceding literature review, the following hypothesis can be developed:

H2: Financial Literacy affects Investment Decision through Generation Z Perception Risk during the pandemic.

Relationship Between Heuristic Behaviour and Investment Decision

Heuristic methods are golden rules and brief spiritual clues that lead to greater comfort in the decision-making process, especially in complex and uncertain environments [16]. Kahneman and Tversky, 1979 were the first authors to introduce heuristic factor methods into three sets including representativeness, bias availability and anchoring Waweru (2008), added two factors to heuristic factors that include player fraud and trust. Based on the literature review above, the following hypothesis can be formulated:

H3: Heuristic Behaviour affects generation Z investment decisions during the pandemic.

Prior research has demonstrated that risk perception mediates the connection between cognitive bias and investment decisions [17]. Ahmad and Shah (2020) contend that risk perception is a mediating variable. Deb and Singh (2018) discovered that risk perception totally mediates the association between overconfidence and improvised decision-making processes and partially the relationship between representation and improvised decision-making processes [12]. The relationship between financial knowledge and the inclination to invest is mediated by the sense of risk, according to Wang (2021). Based on the literature review above, the following hypothesis can be formulated:

H4: Heuristic Behaviour affects Investment Decision through Perception Risk Generation Z during the pandemic.

Based on the literature review and the relationships between the variables above, the research model depicted in Figure 1 can be formulated as follows:

Fig. 1. Research model.

3 Research method

To determine the state of generation Z’s financial literacy, heuristic behaviour, risk perception, and investment decision, a descriptive research method is adopted. While the explanatory survey to the objectives of 2-5, namely the influence between factors, was conducted. With a cross-sectional or one-shot temporal frame, the research is conducted between January and June of 2022. This study’s participants are members of Generation Z aged 18 to 24 in JABODETABEK (Five major Cities in Indonesia). The most appropriate sample size (respondent) strategy is the power analysis method with a minimum sample size of 328 individuals. Examining the minimal sample size required by counting the number of indications constitutes the technique for evaluating the power (showing the uniqueness of each indicator is calculated because there are individual characters of each indicator).

There are three methods of data collection: 1) Online interviews with practitioners to gather information regarding the impact of Financial Literacy, Heuristic Behaviour, Perception Risk, and Investment Choices of Generation Z during the pandemic. 2) Observation of the stock exchange website, KSEI, OJK, etc. to gather information regarding Generation Z stock investment. The G-Form is used to disseminate questionnaires to Generation Z investors. This study employed the SEM-PLS approach of Warp-PLS software version 7.0 for data analysis.

4 Result and analysis

4.1 Financial literacy affects investment decision during the pandemic

Table 2. Financial literacy affects investment decisions.

<table>
<thead>
<tr>
<th></th>
<th>Path Coefficient</th>
<th>Standard Error (SE)</th>
<th>P-Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Literacy → Investment Decision</td>
<td>0.197</td>
<td>0.038</td>
<td>&lt;0.001</td>
</tr>
</tbody>
</table>

Table 2 shows that path coefficient value of 0.197 and the P-Value of 0.001 (0.05) indicate that Financial Literacy has a positive and substantial influence on Investment Choices, as indicated by Table 1 and the WarpPLS calculation results. The output of data processing yielded an R-Square of 0.094, indicating that the Investment Decision variable is explained by factors outside the scope of this study. In other words, the greater the Financial Literacy of generation Z, the greater the influence of Investing decisions; that is, the greater a person's financial knowledge and skills, the better he or she invests in the hopes of gaining money in the future.

This study confirms the findings of The Impact of Financial Literacy on Investment Choices of Balikpapan City Residents [18], which indicated that financial literacy had a significant impact on investment decisions. This indicates that the increased financial understanding and awareness of the residents of Balikpapan City would result in better investment decisions. Considering these findings, to make a solid Investment Decision, one must be able to enhance Credit and Debt Management, possess analytical skills, and comprehend financial reports.
4.2 Financial literacy affects investment decisions through perception risk during the pandemic

Table 3. Financial literacy affects investment decisions through perception risk.

<table>
<thead>
<tr>
<th>Path Coefficient</th>
<th>Standard Error (SE)</th>
<th>P-Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Literacy → Perception Risk → Investment Decision</td>
<td>0.372</td>
<td>0.038</td>
</tr>
</tbody>
</table>

Table 3 show that path coefficient value of 0.372 and the P-Value value of 0.001 (0.05) indicate that Financial Literacy has a positive and statistically significant influence on Investment Choices via Perception Risk, as shown in Table 2. The output of data processing yielded an R-Square value of 0.219, indicating that 21.9% of the variance in the Investment Decision variable is explained by the Financial Literacy variable, while the remaining variance is explained by variables outside the scope of this study.

The results of this data analysis can be interpreted as follows: the greater the Financial Literacy of generation Z, the greater the influence of Investment Decision through Perception Risk. In other words, the greater a person's financial knowledge and skills, the better he or she invests in the hope of making money in the future by understanding the risks associated with making purchase decisions. The findings of this study are consistent with the findings of the study titled The Mediating Role of Risk Perception in the Association Between Financial Literacy and Investing Decision [19]. This study demonstrates that Financial Literacy has a beneficial effect on Investment Choices and influences decision-making. The prior study consisted of 287 Pakistani respondents and included correlation and regression analyses to evaluate empirical hypotheses.

4.3 Heuristic behaviour affects investment decisions during the pandemic

Table 4. Heuristic behaviour affects investment decisions.

<table>
<thead>
<tr>
<th>Path Coefficient</th>
<th>Standard Error (SE)</th>
<th>P-Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heuristic Behaviour → Investment Decision</td>
<td>0.151</td>
<td>0.038</td>
</tr>
</tbody>
</table>

Table 4 indicate that Heuristic Behaviour has a positive and significant effect on Investment Decision. The outcome of data processing yielded an R-Square value of 0.071, indicating that 7.1% of the variance in the Investment Decision variable is explained by the Heuristic Behaviour variable, while the remaining variance is explained by variables outside the scope of this study.

The results of this data processing can be interpreted to mean that the greater the Heuristic Behaviour of generation Z, the greater the influence of Investment Decisions; in other words, the better the decision-making strategy that leads to a person's confidence in the decision-making process, the better a person acts when investing with the hope of earning money in the future. This study's findings are consistent with previous study Herding Effect, Overconfidence, Availability Bias, and Representativeness as Behavioural Factors of Perceived Investment Success and Empirical Evidence from Pakistan Stock study [8]. This study's findings indicate that the influence of representativeness and availability bias has a favourable and significant impact on investing decisions, as it affects individuals' future financial security. The prior study included 220 Pakistani respondents and using the judgment sampling method. Considering these findings, it is clear that to make a solid Investment Choice, one must be able to improve HB01 (loading factor = 0.739) of Representativeness, HB02 (loading factor = 0.616) of Overconfidence, and HB03 (loading factor = 0.623) of Anchoring.

4.4 Heuristic behaviour affects investment decisions through perception risk during the pandemic

Table 5. Heuristic behaviour affects investment decisions through perception risk.

<table>
<thead>
<tr>
<th>Path Coefficient</th>
<th>Standard Error (SE)</th>
<th>P-Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heuristic Behaviour → Perception Risk → Investment Decision</td>
<td>0.428</td>
<td>0.038</td>
</tr>
</tbody>
</table>

Table 5 show that risk perception plays a significant role in investment decision-making, and that individuals who have a better understanding of the risks involved in investment decisions tend to make better investment decisions. The output of this data analysis indicates that the higher the Heuristic Behaviour of Generation Z, the higher the influence of Investment Decision through Perception Risk. In other words, the better the decision-making strategy that leads to an individual's comfort in the decision-making process, the better the person acts in investing with the hope of making money in the future through an understanding of the risks involved in purchasing decisions. This research finding is consistent with a study titled "Impact of Availability Bias and Loss Aversion Bias on Investment Decision Making, Moderating Role of Risk Perception" conducted by Muhammad Ali Jinnah University, Islamabad, Pakistan in 2017. The research findings show that Heuristic Behaviour has a positive and significant effect on investment decisions through Perception Risk. The previous study consisted of 207 respondents aged 18 years in Pakistan, and the method used was simple regression to find correlations between variables.

5 Conclusion

Based on findings from conversations and research on the Impact of Financial Literacy and Heuristic
Behaviour on Perceived Risk, which affects Generation Z Investment Choices during the Pandemic, the following can be concluded: According to the findings of the study, generation Z respondents are able to comprehend Financial Literacy, Heuristic Behaviour, Risk Perception, and Investment Decision. During the pandemic, generation Z's Investment Choice is influenced by their Financial Literacy, according to the results of the study. During the pandemic, Financial Literacy influences Investment Choices through Perceived Risk among generation Z, according to the study's findings. During the pandemic, the influence of Heuristic Behaviour affects generation Z's Investment Decision, according to the study's findings. During the pandemic, the influence of Heuristic Behaviour influences Investment Choice through Perception Risk among generation Z, according to the study's findings. Because generation Z understands Financial Literacy, it is hoped that they will be more self-assured when making financial decisions, notwithstanding their caution in avoiding Perception Risk-related dangers. There will be variances in technology and sorts of investments based on different generations, and it is hoped that future studies will examine these differences. It is hoped that future researchers will be able to conduct additional research on Investment Decision that is strengthened in terms of understanding investment decisions by looking at the total size of a company's assets (firm size) and measuring how liquid a company is (leverage) in generation Z, and also by raising the escalation of commitment, hindsight, randomness, herding effect, disposition effect, and home bias because there are numerous other factors that influence investment decisions. For future research, it is intended that the domicile coverage of regional respondents in Jabodetabek can be expanded to the national level (throughout Indonesia) to obtain concrete responses. For additional research after the epidemic scenario has ended, it is envisaged that comparison research would be conducted; researchers may then investigate if generation Z has an impact on investment following the pandemic event.

References

5. A. Gunardi, M. Ridwan, G. M. Sudarjah, J. Keuangan dan Perbank. 21, (2017)