

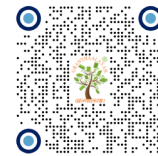
Original Article

EXAMINING THE ROLE OF FINANCIAL LITERACY AND PERCEIVED BEHAVIORAL CONTROL IN INVESTMENT DECISION-MAKING: EVIDENCE FROM GEN Z AND MILLENNIALS

Surbhi ^{1*}, Dr. A.K. Govilla ²

¹ Research Scholar, Department of Economics, Malwanchal University, Indore, India

² Supervisor, Department of Economics, Malwanchal University, Indore, India



ABSTRACT

Investment decision-making has become increasingly important in contemporary financial environments, particularly among younger and middle-aged individuals who are exposed to expanding investment opportunities, digital financial platforms, and information-rich market environments. In this context, financial literacy and perceived behavioral control have emerged as two important determinants of how individuals evaluate, plan, and execute investment decisions. The present study examined the role of financial literacy and perceived behavioral control in investment decision-making among Gen Z and Millennial respondents. The study also considered the influence of social factors and subjective norms in order to provide a broader behavioral explanation of investment behaviour. Primary data were collected from 480 respondents through a structured questionnaire, and the relationships among the constructs were assessed through structural equation modeling. The findings indicate that financial literacy significantly improves investment decision-making both directly and indirectly through perceived behavioral control. The results further show that perceived behavioral control acts as an important explanatory mechanism, suggesting that financial knowledge alone is not sufficient unless individuals also feel confident in their capacity to make sound investment choices. The generation-wise analysis reveals that these relationships remain meaningful for both Gen Z and Millennials, although the relative influence of confidence and social inputs may vary across age groups. The study contributes to the growing literature on financial behaviour by highlighting that rational investment participation is shaped not only by knowledge but also by perceived capability and behavioural readiness. The findings offer useful implications for policymakers, educators, and financial service providers seeking to improve financial decision-making among emerging and active investor groups.

Keywords: Financial Literacy, Perceived Behavioral Control, Investment Decision-Making, Gen Z, Millennials, Subjective Norms, Social Factors, Behavioral Finance

INTRODUCTION

In recent years, the financial landscape has undergone substantial transformation due to the rapid expansion of digital investment platforms, growing access to financial information, and the increasing participation of younger individuals in formal investment markets. Investment is no longer viewed as an activity limited to highly experienced investors or high-income groups; instead, it has become a more accessible and socially visible financial behaviour across different demographic categories. Among the

*Corresponding Author:

Email address: Surbhi (dranilchhikara@gmail.com)

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most active and emerging cohorts in this changing environment are Generation Z and Millennials, who are gradually shaping contemporary investment patterns through their digital exposure, social connectivity, and evolving financial aspirations. These generations are more likely to encounter financial products, market information, and peer-driven investment narratives through online channels, which makes understanding their investment decision-making process an important academic and practical concern. Investment decision-making is a complex process influenced by economic reasoning, psychological readiness, social environment, and individual capability. Individuals do not make investment decisions solely on the basis of available income or market opportunities; rather, such decisions are often guided by knowledge, beliefs, confidence, and the perceived ability to evaluate risk and return. In this regard, financial literacy has received considerable scholarly attention as a foundational determinant of sound financial behaviour. Financial literacy generally refers to the knowledge, understanding, and skills needed to make effective financial choices in matters such as saving, borrowing, budgeting, and investing [Atkinson and Messy \(2012\)](#). Prior studies have consistently suggested that financially literate individuals are better equipped to compare alternatives, assess consequences, and make rational financial decisions [Amagir et al. \(2020\)](#), [Suresh \(2024\)](#). In the context of investment, financial literacy enables individuals to understand basic financial instruments, evaluate market information, and reduce the likelihood of impulsive or uninformed choices.

The present study is also guided by the understanding that investment behavior is not formed in isolation. Social surroundings, information channels, and perceived expectations from important others can influence how individuals think about financial participation. Social factors such as advice from friends, family discussions, expert opinions, and digital media content often shape investment awareness and confidence. Likewise, subjective norms may affect whether individuals perceive investment as a socially supported or desirable activity. Research has shown that normative and social influences can affect investment intention, especially when individuals are uncertain or inexperienced and therefore more likely to rely on external cues. However, the relative importance of such influences may differ depending on whether investors rely more heavily on internal capability or social reinforcement. This makes it important to examine financial literacy and perceived behavioral control not as isolated variables, but as part of a broader behavioural framework. The relevance of this study is strengthened by the continued growth of youth and middle-aged participation in financial markets, the increasing need for responsible financial decision-making, and the policy emphasis on improving financial capability across populations. In many developing and emerging economies, access to financial services and investment opportunities is expanding faster than financial understanding. As a result, individuals may enter investment environments without sufficient literacy or behavioral preparedness. Such conditions can lead to weak decisions, poor risk assessment, or dependence on unreliable sources of advice. Existing research has examined the influence of financial literacy on investment decisions in a variety of contexts, including India, Pakistan, and other emerging economies [Hussain et al. \(2022\)](#), [Nag and Shah \(2022\)](#), [Arora and Chakraborty \(2023\)](#). Other studies have explored behavioural and social determinants, including attitudes, social influence, risk tolerance, and self-efficacy [Che Hassan, et al. \(2024\)](#), [Nepal et al. \(2023\)](#), [Vaghela et al. \(2023\)](#). However, comparatively fewer studies have focused specifically on the combined role of financial literacy and perceived behavioral control in explaining investment decision-making among both Gen Z and Millennials within a single empirical framework.

The study makes a meaningful contribution in three ways. First, it extends the literature on financial literacy by demonstrating that the effect of knowledge on investment decisions should be interpreted alongside perceived control. Second, it contributes to the behavioral finance and TPB-based literature by examining how internal capability and social influences jointly shape decision outcomes. Third, it offers a generational perspective by focusing on Gen Z and Millennials, two cohorts that are increasingly influential in the financial marketplace but may differ in their motivations, confidence, and decision processes. By analyzing these relationships using primary data collected from 480 respondents, the study seeks to provide evidence that is both academically relevant and practically useful.

The remainder of the paper is structured as follows. The next section reviews the relevant literature on financial literacy, perceived behavioral control, social factors, subjective norms, and investment decision-making. The subsequent section presents the research methodology, including sample design, measures, and analytical approach. This is followed by data analysis and results, including demographic analysis and generation-wise structural model assessment. The final sections discuss the findings, draw conclusions, and present practical implications for financial educators, policymakers, and investment service providers.

REVIEW OF LITERATURE

FINANCIAL LITERACY AND INVESTMENT DECISION-MAKING

Financial literacy is widely considered an important factor in improving investment decision-making because it helps individuals understand financial concepts, compare alternatives, judge risk and return, and make more informed choices. A financially literate person is generally more capable of selecting suitable investment avenues and avoiding impulsive or poorly informed decisions. Earlier studies have shown that financial literacy positively influences financial behaviour and investment choices. [Atkinson and Messy \(2012\)](#) explained that financial literacy is a core requirement for sound financial decisions, while [Hussain et al. \(2022\)](#), [Nag and Shah \(2022\)](#), [Arora and Chakraborty \(2023\)](#), and [Suresh \(2024\)](#) also reported that better financial literacy leads to better investment-related decisions. For Gen Z and Millennials, this relationship is highly relevant because both groups are increasingly exposed to market information, online financial platforms, and new forms of investment participation.

H1: Financial literacy has a significant positive effect on investment decision-making.

FINANCIAL LITERACY AND PERCEIVED BEHAVIORAL CONTROL

Perceived behavioral control refers to an individual's belief that he or she is capable of performing a particular behaviour successfully. In the context of investment, it reflects the confidence to identify investment opportunities, understand market situations, and take appropriate financial action. Financial literacy strengthens this sense of control because knowledge often increases confidence and reduces uncertainty. [Amagir et al. \(2020\)](#) found that financial knowledge is linked with financial self-efficacy and behaviour, while [Do et al. \(2024\)](#) showed that financial knowledge significantly improves perceived behavioral control. This means that when people know more about financial matters, they are more likely to feel capable of making investment decisions. This is especially important for younger and emerging investors, who may have awareness but still lack confidence in actual market participation.

H2: Financial literacy has a significant positive effect on perceived behavioral control.

PERCEIVED BEHAVIORAL CONTROL AND INVESTMENT DECISION-MAKING

Perceived behavioral control plays a major role in explaining whether individuals turn financial understanding into real investment action. Even if people have knowledge, they may not invest unless they feel able to manage risk, evaluate alternatives, and act with confidence. The Theory of Planned Behavior suggests that people are more likely to perform a behaviour when they believe they have control over it. In financial decision-making, this means that confidence and perceived ability become important drivers of investment behaviour. Studies such as [Do et al. \(2024\)](#) and [Che Hassan, et al. \(2024\)](#) show that control-related beliefs significantly influence financial intention and decision behaviour. Therefore, perceived behavioral control is expected to directly improve investment decision-making in the present study.

H3: Perceived behavioral control has a significant positive effect on investment decision-making.

SOCIAL FACTORS, SUBJECTIVE NORMS, AND INVESTMENT DECISION-MAKING

Investment decisions are not shaped by personal knowledge alone. They are also influenced by social surroundings such as family, friends, expert opinions, media content, and digital communities. Social factors can shape how individuals think about investment opportunities and can also affect their confidence and willingness to participate. Subjective norms refer to the perceived approval or pressure from important others regarding whether a behaviour should be performed. Earlier studies have shown that social influence and subjective norms can affect financial and investment intentions, particularly among young investors and socially connected groups. [Tabassum et al. \(2021\)](#) suggest that social and normative pressures often influence financial behaviour, especially when individuals depend on external guidance. Thus, social influences are important in understanding investment decisions among Gen Z and Millennials.

H4: Social factors have a significant positive effect on investment decision-making.

H5: Social factors have a significant positive effect on perceived behavioral control.

H6: Social factors have a significant positive effect on subjective norms.

H7: Subjective norms have a significant positive effect on investment decision-making.

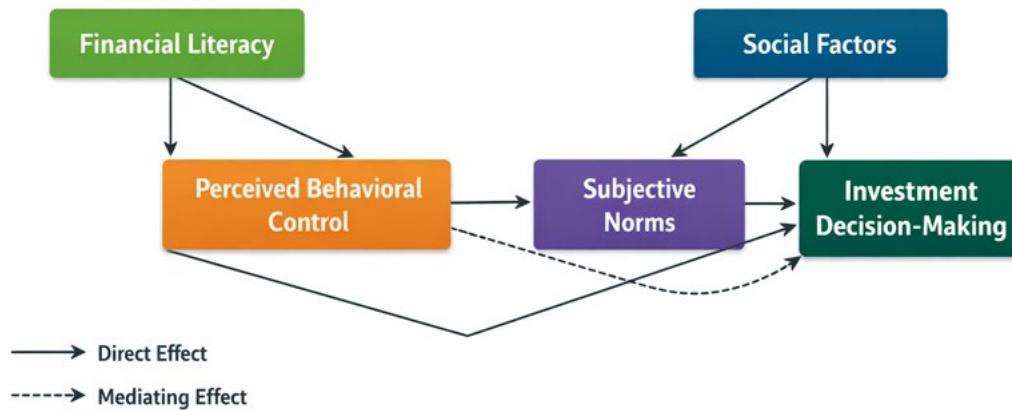
MEDIATING ROLE OF PERCEIVED BEHAVIORAL CONTROL

The literature also suggests that financial literacy may not influence investment decisions only in a direct way. It may also improve investment decision-making indirectly by increasing perceived behavioral control. In other words, people who are financially literate may develop stronger confidence in their own ability, and that confidence may further improve their decisions. This mediation logic is supported by studies that connect knowledge, self-efficacy, control beliefs, and financial behaviour. [Do et al. \(2024\)](#) and [Rangga et al.](#) indicate that behavioral control is an important explanatory link between financial understanding and action. Therefore, perceived behavioral control is expected to mediate the relationship between financial literacy and investment decision-making in this study.

H8: Perceived behavioral control significantly mediates the relationship between financial literacy and investment decision-making.

Conceptual Model of the Study

The conceptual model of the study proposes that financial literacy and social factors act as exogenous variables, while perceived behavioral control and subjective norms act as intervening variables, and investment decision-making acts as the final endogenous variable. The model assumes that financial literacy directly affects investment decision-making and also improves it indirectly through perceived behavioral control. At the same time, social factors are expected to influence investment decision-making both directly and indirectly through perceived behavioral control and subjective norms.

Figure 1**Figure 1 Conceptual Model of Investment Decision-Making**

RESEARCH METHODOLOGY

RESEARCH DESIGN

The present study adopted a quantitative and descriptive research design to examine the role of financial literacy and perceived behavioral control in investment decision-making among Gen Z and Millennial respondents. The study was based on a structured survey approach because the objective was to measure the relationships among predefined constructs and test the proposed hypotheses in an empirical manner. The design was suitable for analyzing how financial literacy, social factors, perceived behavioral control, and subjective norms influence investment decision-making.

POPULATION AND SAMPLE

The target population of the study comprised individuals belonging to Generation Z and Millennials. For the purpose of analysis, Gen Z respondents were classified in the age group of 14–29 years, while Millennials were classified in the age group of 30–45 years. A total of 480 valid responses were included in the final analysis. The sample consisted of respondents from different gender, income, and occupational categories, which helped ensure diversity in the dataset and improved the suitability of the sample for examining generational investment behaviour.

DATA COLLECTION AND INSTRUMENT

The study was based on primary data collected through a structured questionnaire. The questionnaire was designed to measure the major constructs of the study, namely Financial Literacy (FL), Social Factors (SF), Perceived Behavioral Control (PBC), Subjective Norms (SN), and Investment Decision-Making (IDM). All items were measured using close-ended statements. Most of the construct items were recorded on a five-point Likert scale, ranging from lower agreement to higher agreement, while the subjective norm items were measured on a three-point scale. The instrument was prepared in a simple and understandable format so that respondents from both generations could provide clear responses.

VARIABLES OF THE STUDY

The study included Financial Literacy and Social Factors as exogenous variables. Perceived Behavioral Control and Subjective Norms were treated as mediating variables, while Investment Decision-Making was considered the endogenous variable. Financial literacy represented the respondents' level of financial awareness and understanding. Social factors reflected the influence of media, peers, family, and other external information sources. Perceived behavioral control measured the respondents' confidence in their ability to take investment-related actions. Subjective norms represented the role of perceived social approval, while investment decision-making captured the extent to which respondents made rational and structured investment choices.

DATA ANALYSIS TECHNIQUE

The collected data were coded and analyzed with the help of SPSS and SmartPLS 4. SPSS was used for demographic analysis and descriptive statistics, while SmartPLS 4 was used for structural model assessment and hypothesis testing. The analysis included demographic profiling of respondents, descriptive statistics of construct items, and structural model analysis for testing direct and indirect relationships among the variables. In addition, a generation-wise subgroup analysis was conducted to compare the

structural relationships separately for Gen Z and Millennial respondents. This helped provide deeper insight into the behavioural differences and similarities between the two cohorts.

HYPOTHESIS TESTING

The hypotheses of the study were tested through path analysis and mediation analysis using SmartPLS 4. The significance of the proposed relationships was examined through path coefficients, t-statistics, and p-values. Relationships with significant p-values were accepted, while statistically insignificant relationships were rejected. The mediating role of perceived behavioral control and subjective norms was also assessed to determine whether these variables transmitted the effects of financial literacy and social factors on investment decision-making.

ETHICAL CONSIDERATIONS

The study was conducted on the basis of voluntary participation. Respondents were approached only for academic purposes, and the information collected from them was kept confidential. The responses were used strictly for research analysis, and no personal identity of any respondent was disclosed in the study.

DATA ANALYSIS AND RESULTS

DEMOGRAPHIC PROFILE

Table 1

Table 1 Demographic Profile of Respondents (N = 480)			
Variable	Category	Frequency	Percent
Gender	Male	233	48.5
	Female	247	51.5
Age Group	14–29 years (Gen Z)	270	56.3
	30–45 years (Millennials)	210	43.8
Income	Low Income	186	38.8
	Middle Income	156	32.5
	High Income	138	28.7
Occupation	Student	114	23.8
	Private Job	129	26.9
	Self-Employed	129	26.9
	Unemployed	108	22.5

Source: Primary data compiled by the researcher.

The study is based on 480 respondents. Female respondents (51.5%) are slightly higher than male respondents (48.5%). In terms of age, 56.3% belong to Gen Z and 43.8% belong to the Millennial group. Regarding income, 38.8% fall in the low-income category, 32.5% in the middle-income category, and 28.7% in the high-income category. The occupational profile shows a balanced spread, with 23.8% students, 26.9% private employees, 26.9% self-employed respondents, and 22.5% unemployed respondents. This demographic composition indicates that the sample is adequately diverse and suitable for studying investment decision-making among Gen Z and Millennials.

Table 2

Table 2 Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
FL1	480	1.00	5.00	3.5000	.78344
FL2	480	1.00	5.00	3.4833	.77523
FL3	480	1.00	5.00	3.4938	.78075
FL4	480	1.00	5.00	3.4687	.80646
SF1	480	1.00	5.00	3.3021	.79034

SF2	480	1.00	5.00	3.3417	.78340
SF3	480	1.00	5.00	3.3083	.78126
SF4	480	1.00	5.00	3.3063	.81987
PBC1	480	1.00	5.00	2.7750	.79363
PBC2	480	1.00	5.00	2.7750	.75867
PBC3	480	1.00	5.00	2.7688	.82918
SN1	480	1.00	3.00	1.4479	.54962
SN2	480	1.00	3.00	1.4479	.56461
SN3	480	1.00	3.00	1.4750	.57741
IDM1	480	2.00	5.00	3.8792	.82875
IDM2	480	2.00	5.00	3.8688	.82590
IDM3	480	2.00	5.00	3.8854	.82333
IDM4	480	1.00	5.00	3.8625	.82615
IDM5	480	1.00	5.00	3.9000	.83404
Valid N (listwise)	480				

Source: SPSS output based on primary data.

Table 2 indicates that the items measuring Financial Literacy have mean values ranging from 3.4687 to 3.5000, suggesting that respondents generally possess a moderate level of financial awareness and investment-related understanding. Among these items, FL1 records the highest mean value of 3.5000, indicating that respondents tend to believe that they have a reasonably good understanding of investment. The standard deviations for these items remain below 1.00, which implies a moderate but acceptable spread of responses. The Social Factors items show mean values between 3.3021 and 3.3417. These values indicate that respondents moderately rely on internet sources, media information, family, friends, and experts while making investment decisions. Among the Social Factors items, SF2 reports the highest mean, suggesting that internet and media-based financial information have a relatively strong influence on respondents' investment thinking. The findings reflect the growing importance of digital information channels in financial decision-making among younger and middle-aged investors. The Perceived Behavioral Control items record noticeably lower mean scores, ranging from 2.7688 to 2.7750. This suggests that although respondents may have some financial awareness, they are comparatively less confident about their practical ability to identify profitable investments or act quickly in stock-market settings. In other words, knowledge and confidence do not appear to move at the same intensity, which strengthens the importance of including Perceived Behavioral Control as a mediating construct in the model. The Subjective Norms items register the lowest mean values, between 1.4479 and 1.4750, on a three-point response range. These values suggest that respondents are relatively less driven by social pressure or social approval when thinking about stock market participation. However, since the standard deviations remain low, the responses are fairly consistent. In contrast, the Investment Decision-Making items produce high mean values ranging from 3.8625 to 3.9000, indicating that respondents tend to compare investment options, seek advice, set goals, and consider both risk and return in a systematic manner. This pattern suggests that the sample demonstrates a relatively rational and deliberate orientation toward investment behavior.

GENERATION-WISE STRUCTURAL MODEL ANALYSIS

In order to obtain a deeper understanding of whether the proposed conceptual model behaves similarly across the two generational cohorts, the structural relationships were assessed separately for Gen Z and Millennial respondents. This subgroup analysis is important because the study is specifically concerned with understanding investment decision-making among these two generations, which differ in terms of digital exposure, financial experience, social environment, and life-stage responsibilities. The generation-wise structural model assessment makes it possible to determine whether the pattern of direct and indirect effects remains stable across cohorts or whether one generation displays a meaningfully different investment decision process. Such analysis adds analytical depth to the study and strengthens the interpretation of the broader findings.

STRUCTURAL MODEL RESULTS FOR GEN Z

The Gen Z structural model results show a pattern that is largely consistent with the overall sample, while also highlighting the strong relevance of confidence-related mechanisms for younger respondents. Financial Literacy significantly influences both Investment Decision-Making and Perceived Behavioral Control among Gen Z, indicating that knowledge improves both decision quality and the perceived ability to act in financial contexts. However, Financial Literacy does not significantly affect Subjective Norms, which means that financial knowledge among this cohort does not directly translate into feelings of social approval regarding

investment. Perceived Behavioral Control significantly affects Investment Decision-Making, confirming that confidence and action capability are particularly important for younger investors who may still be building practical financial experience. Social Factors significantly influence Investment Decision-Making, Perceived Behavioral Control, and Subjective Norms, suggesting that Gen Z respondents are strongly shaped by information environments, peer networks, and social reinforcement. Subjective Norms also significantly affect Investment Decision-Making, indicating that perceived approval from others contributes meaningfully to investment behaviour in this group. Overall, the Gen Z findings show that investment decisions are shaped by a combined influence of financial understanding, social exposure, confidence, and normative signals, though the route from financial literacy to social norms remains non-significant.

Figure 2

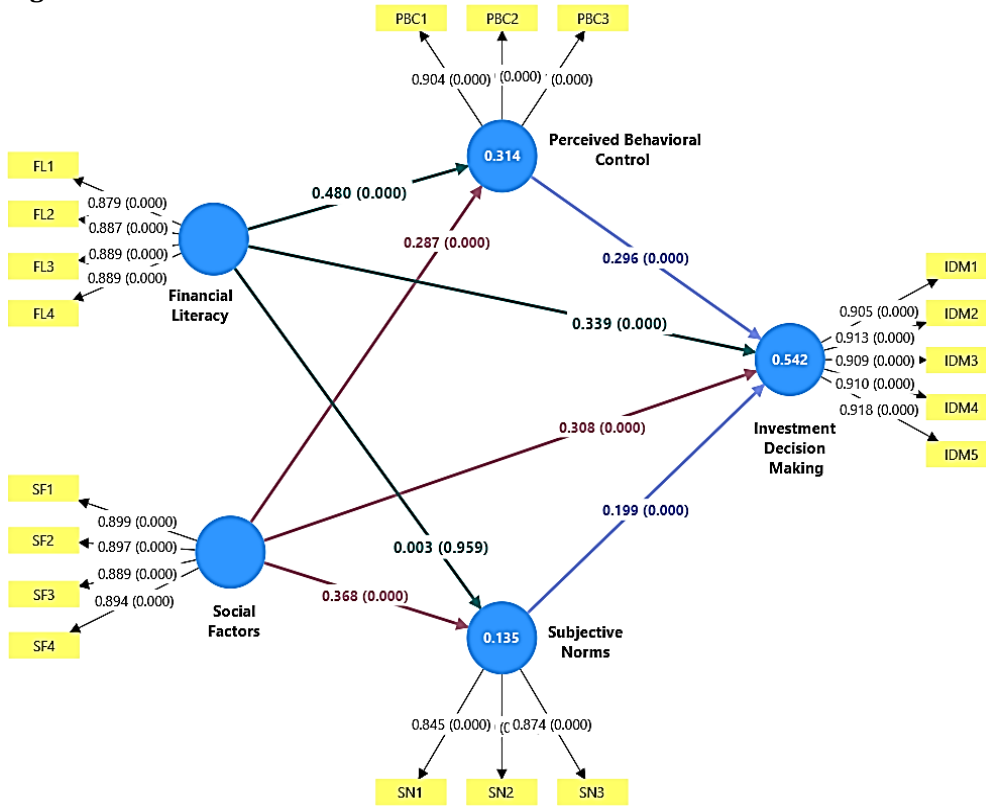


Figure 2 Structural Model of Investment Decision Making for Generation Z (Source: Smart PLS 4 software)

Table 3

Table 3 Path Analysis and Hypothesis Testing GEN Z						
Relationship	Original Sample (O)	STDEV	T Statistics	P Value	Decision	
Financial Literacy → Investment Decision-Making	0.339	0.048	7.124	0.000	H1a Supported	
Financial Literacy → Perceived Behavioral Control	0.480	0.044	10.826	0.000	H2a Supported	
Financial Literacy → Subjective Norms	0.003	0.061	0.051	0.959	H3a Not Supported	
Perceived Behavioral Control → Investment Decision-Making	0.296	0.049	6.086	0.000	H4a Supported	
Social Factors → Investment Decision-Making	0.308	0.044	7.038	0.000	H5a Supported	
Social Factors → Perceived Behavioral Control	0.287	0.048	5.972	0.000	H6a Supported	
Social Factors → Subjective Norms	0.368	0.052	7.003	0.000	H7a Supported	

Subjective Norms → Investment Decision-Making	0.199	0.045	4.452	0.000	H8a Supported
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Source: SmartPLS subgroup analysis for Gen Z.

The Gen Z results in Table 3 reveal a pattern largely similar to the overall model. Financial Literacy significantly affects Investment Decision-Making ($\beta = 0.339$, $p = 0.000$) and Perceived Behavioral Control ($\beta = 0.480$, $p = 0.000$), thereby supporting H1a and H2a. However, it does not significantly influence Subjective Norms ($\beta = 0.003$, $p = 0.959$), leading to rejection of H3a. This indicates that financial knowledge among Gen Z strengthens decision quality and confidence, but not social-normative pressure. Perceived Behavioral Control positively affects Investment Decision-Making ($\beta = 0.296$, $p = 0.000$), which supports H4a. Social Factors also significantly affect Investment Decision-Making, Perceived Behavioral Control, and Subjective Norms, supporting H5a, H6a, and H7a. Subjective Norms further contribute positively to Investment Decision-Making ($\beta = 0.199$, $p = 0.000$), supporting H8a. Taken together, these results suggest that Gen Z investment decisions are shaped by a combination of knowledge, social inputs, confidence, and normative influence, although knowledge itself does not directly produce normative pressure.

Table 4

Table 4 Mediating						
Relationship	Original Sample (O)	STDEV	T Statistics	P Value	Decision	
Social Factors → Perceived Behavioral Control → Investment Decision-Making	0.085	0.021	4.125	0.000	H11a Supported	
Financial Literacy → Subjective Norms → Investment Decision-Making	0.001	0.012	0.050	0.960	H10a Not Supported	
Financial Literacy → Perceived Behavioral Control → Investment Decision-Making	0.142	0.027	5.232	0.000	H9a Supported	
Social Factors → Subjective Norms → Investment Decision-Making	0.073	0.019	3.816	0.000	H12a Supported	

Source: SmartPLS subgroup mediation output for Gen Z.

The mediation results for Gen Z indicate that Perceived Behavioral Control mediates the relationship between Financial Literacy and Investment Decision-Making ($\beta = 0.142$, $p = 0.000$), supporting H9a. Similarly, Social Factors significantly influence Investment Decision-Making through Perceived Behavioral Control ($\beta = 0.085$, $p = 0.000$), supporting H11a, and through Subjective Norms ($\beta = 0.073$, $p = 0.000$), supporting H12a.

However, Subjective Norms do not mediate the relationship between Financial Literacy and Investment Decision-Making for Gen Z ($\beta = 0.001$, $p = 0.960$), resulting in rejection of H10a. This means that for Gen Z, financial knowledge improves investment outcomes primarily through enhanced personal capability rather than through social expectation channels.

Table 5

Table 5 Coefficient of Determination (R ²)		
Construct	R ²	Adjusted R ²
Investment Decision-Making (IDM)	0.542	0.538
Perceived Behavioral Control (PBC)	0.314	0.310
Subjective Norms (SN)	0.135	0.133

Source: SmartPLS subgroup analysis for Gen Z.

The R² values for Gen Z show that the model explains 54.2 percent of the variance in Investment Decision-Making, 31.4 percent of the variance in Perceived Behavioral Control, and 13.5 percent of the variance in Subjective Norms. Compared with the overall model, the explanatory power for Investment Decision-Making is slightly higher in the Gen Z subgroup, suggesting that the proposed framework is particularly suitable for explaining the investment behavior of this generation.

DISCUSSION

The present study adopted a quantitative, descriptive, and cross-sectional research design to examine the role of financial literacy and perceived behavioral control in investment decision-making among Gen Z and Millennial respondents. A survey-based approach was considered suitable because the study aimed to empirically test the relationships among behavioral and financial constructs through measurable responses collected from a relatively large number of participants. The focus on financial literacy and investment behaviour is supported by earlier studies which have shown that financial knowledge, self-efficacy, control, and behavioral influences play an important role in shaping financial choices and investment actions [Amagir et al. \(2020\)](#), [Herawati et al. \(2018\)](#), [Nepal et al. \(2023\)](#), [Vaghela et al. \(2023\)](#). The target population of the study consisted of individuals from Generation Z (14–29 years) and Millennials (30–45 years), as these two cohorts represent active and emerging participants in modern financial environments.

Previous studies have also emphasized that younger generations are increasingly influenced by financial literacy, behavioral finance factors, and changing investment attitudes in both traditional and digital contexts [Moreno-Herrero et al. \(2018\)](#), [Sajeev et al. \(2021\)](#), [Widhiastuti et al. \(2024\)](#). The study was based on primary data, and a total of 480 valid responses were included in the final analysis. The respondents belonged to different categories of gender, income, and occupation, making the sample sufficiently diverse for analyzing generational investment behaviour. Data were collected through a structured questionnaire prepared in a simple and clear format to ensure that respondents could understand the statements easily and respond accurately. The questionnaire measured the main constructs of the study, namely Financial Literacy (FL), Social Factors (SF), Perceived Behavioral Control (PBC), Subjective Norms (SN), and Investment Decision-Making (IDM). Most of the items were measured on a five-point Likert scale, while the items related to subjective norms were measured on a three-point scale. The inclusion of these constructs was grounded in prior literature which suggests that financial literacy, social influences, and control-related beliefs are major determinants of financial and investment behaviour [Naiwen et al. \(2021\)](#), [Tabassum et al. \(2021\)](#), [Che Hassan, et al. \(2024\)](#), [Do et al. \(2024\)](#). In the conceptual framework, financial literacy and social factors were treated as exogenous variables, perceived behavioral control and subjective norms were treated as mediating variables, and investment decision-making was taken as the endogenous variable. Financial literacy represented respondents' understanding of financial concepts and investment matters, while social factors represented the influence of peers, family, media, and other external information channels.

Perceived behavioral control referred to the level of confidence and perceived capability of respondents to make and execute investment decisions, an idea supported by earlier research highlighting the role of control, self-efficacy, and behavioral readiness in financial action. Subjective norms reflected the social approval or pressure perceived by respondents regarding investment behaviour, while investment decision-making referred to the extent to which respondents compared alternatives, evaluated risk and return, sought advice, and made rational financial choices. After data collection, the responses were coded and analyzed using SPSS and SmartPLS 4. SPSS was used for demographic analysis and descriptive statistics, including frequency, percentage, mean, minimum, maximum, and standard deviation values. SmartPLS 4 was used for structural model analysis, path analysis, mediation analysis, and generation-wise subgroup analysis in order to test the proposed relationships more comprehensively. The use of such model-testing procedures is consistent with earlier studies examining financial literacy and investment-related behavioural relationships. The hypotheses were tested through path coefficients, t-statistics, p-values, and coefficient of determination (R^2) to assess both direct and indirect effects among the study variables. In addition, separate structural analysis was conducted for Gen Z and Millennial respondents to identify whether the relationships among the constructs differed across the two generations.

The mediation role of perceived behavioral control and subjective norms was also examined, particularly because prior research indicates that financial knowledge often influences behavioural intention and decision-making through control beliefs and internal confidence rather than only through direct pathways. The study was conducted strictly for academic purposes, participation was voluntary, and the confidentiality of the respondents was maintained throughout the research process. Overall, the chosen methodology was considered appropriate because it combined a structured survey design, clearly defined constructs, adequate sample size, and suitable statistical tools to examine the behavioural and financial determinants of investment decision-making among Gen Z and Millennials in a comprehensive manner.

CONCLUSION AND IMPLICATIONS

The study concludes that financial literacy and perceived behavioral control are important determinants of investment decision-making among Gen Z and Millennials. The findings show that respondents with better financial knowledge are more likely to make rational and informed investment decisions. However, knowledge alone is not sufficient unless individuals also feel confident in their ability to understand market conditions and take appropriate investment actions. In this context, perceived behavioral control plays a significant role by strengthening the effect of financial literacy on investment decision-making. The study also finds that social factors and subjective norms contribute to investment behaviour, especially among younger respondents, but their influence is weaker than the role of financial literacy and personal control. Overall, the study establishes that investment decisions are shaped by a combination of financial understanding, confidence, and social influence, with perceived behavioral control acting as an important link between knowledge and action.

Implications of the Study

- For policymakers: Financial awareness programs should focus not only on knowledge but also on building confidence for practical investment decisions.
- For educational institutions: Colleges and universities should introduce financial literacy and investment education in a more practical form.
- For financial service providers: Investment platforms should be made simple, clear, and user-friendly for Gen Z and Millennial investors.
- For young investors: Better financial knowledge can improve decision quality, but confidence and control are equally important.
- For researchers: The study provides scope for further research on behavioral and generational factors affecting investment decisions.

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