

# **Influence of Influencers and Capital on Gen Z Stock Decisions via Risk**

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## **Abstract**

This study examines the influence of social media influencers and capital availability on stock investment decisions among Generation Z in Jakarta, with risk perception as an intervening variable. Generation Z's growing interest in stock investment is often driven by the persuasive power of social media influencers and accessibility to capital, both of which play crucial roles in shaping investment decisions. Utilizing a quantitative approach, data were collected through questionnaires with Likert-scale responses. The findings suggest that influencers and capital availability positively impact investment decisions, moderated by individuals' risk perceptions. Specifically, risk perception plays a significant role in mediating the relationship, indicating that Generation Z investors weigh potential risks even when guided by influencers or provided with accessible capital. This study offers valuable insights for financial advisors and platforms targeting young investors, underscoring the importance of responsible influencer content and accessible financial resources in promoting informed investment choices.

**Keyword:** Social media influencer, capital availability, investment decision, risk perception, Generation Z

## **1. Introduction**

Generation Z, born between 1997 and 2012, is becoming a significant force in global investment markets. In Indonesia, particularly Jakarta, this generation is increasingly interested in stock investments as a way to build wealth. Digital platforms, such as user-friendly stock trading apps, have made investing more accessible.

Three key factors influence Generation Z's investment decisions: social media influence, capital availability, and risk perception.

Social media influencers play a major role in shaping investment choices. Platforms like YouTube, Instagram, and TikTok feature influencers who offer investment advice and share personal stories. These influencers help young investors understand financial concepts and encourage them to invest. However, some influencers lack financial expertise and give stock recommendations without solid foundations, leading to poor investment decisions. Moreover, excessive promotion by influencers may foster herd behavior, where Generation Z follows trends without proper analysis, increasing the risk of loss.

Capital availability also impacts investment decisions. Generation Z, often starting their careers with limited income, may face challenges in building an investment portfolio. However, many platforms allow them to invest with small amounts of capital, offering flexibility. Despite this, limited capital may drive them toward riskier strategies, like day trading or speculative investments, in hopes of quick profits. This increases the chance of loss, especially if they lack a deep understanding of the stocks they invest in.

Risk perception is another key factor. Generation Z, being tech-savvy, is more open to taking risks. While this flexibility allows them to seize high-potential opportunities, it also increases their vulnerability to information overload, making decision-making more uncertain. Relying on social media or apps without sufficient analysis can lead to poor decisions and financial losses.

In conclusion, Generation Z's stock investment decisions in Jakarta are influenced by social media, capital availability, and risk perception. Financial literacy and risk management are essential to navigating these challenges successfully.

## **2. Literature Review**

### **2.1 Social Media Influencers**

Influencers are people who have the ability to influence consumer behavior to buy the company's products, thereby increasing sales. Influencers create content that provokes interaction on social media so that the products discussed can be widely recognized. Influencers provide in-depth information about products so that consumers understand which ultimately provokes consumers to buy these goods, this creates a close relationship with consumers (Agustini, M. P., & Komariah, K. 2022).

## 2.2 Capital Availability

Capital availability refers to the amount of funds that farmers can access to support their farms. This capital is critical in providing various fixed and non-fixed agricultural inputs, such as seeds, fertilizers, labour, equipment and technology. Adequate capital availability allows farmers to increase the productivity, efficiency, and sustainability of their businesses through the use of quality inputs and modernization in agricultural practices (Mariati, R., Mariyah, M., & Irawan, C. N. 2022).

## 2.3 Risk Perception

Risk perception is an individual's view or assessment of potential losses or dangers that may arise in decision making, especially in e-commerce. These risks include concerns related to transaction security, data privacy, and product quality that does not meet expectations. A high level of risk perception can reduce consumer confidence and affect their purchasing decisions and behavior, as consumers tend to avoid transactions that are considered risky (Firdayanti, R. (2012).

## 2.4 Stock Investment Decision

Equity investment decision is the process by which individuals choose to buy or sell securities based on analysis and consideration involving various factors. This decision is not only influenced by market conditions, but also by individual psychological and behavioral factors. In this context, investment decisions can be seen as the result of the interaction between knowledge, experience, and individual attitudes towards risk and return (Suprasta, N., & Nuryasman, M. N. 2020).

After compiling the research instrument, the next step is to distribute the questionnaire form online through social media. After obtaining the number of samples, the data was analyzed using SEM PLS using the help of smart pls 4.0.

## 3. Material and Method

### 3.1 Design Study

This research, conducted in Jakarta from October to December 2024, focuses on Generation Z investors. The population includes Gen Z individuals who have invested in stocks. A random sampling method was used to select 156 respondents who met the research criteria, ensuring equal opportunity for selection.

### 3.2 Operational Variables

#### 3.2.1 Independent Variables

Variable	Indicator	Statement
X1; Social Media Influencer	Influencer Credibility	<ol style="list-style-type: none"><li>1. I trust the information provided by influencers in my investment decisions.</li><li>2. I feel that influencers provide accurate and credible information on investments.</li></ol>

	Influencer Attractiveness	<ol style="list-style-type: none"> <li>1. I feel attracted to the way influencers convey investment-related information.</li> <li>2. I am more likely to consider investments promoted by attractive influencers.</li> </ol>
	Influence on Investment Attitude	<ol style="list-style-type: none"> <li>1. Influencers make me think more positively about stock investing</li> <li>2. Influencers' opinions influence my attitude towards investing.</li> </ol>
	Interaction with Influencer Content	<ol style="list-style-type: none"> <li>1. I actively interact with content provided by influencers related to investing.</li> <li>2. My interactions with influencers on social media influence my investment decisions.</li> </ol>
	Number of Followers of Influencer	<ol style="list-style-type: none"> <li>1. I have more trust in influencers with a large number of followers.</li> <li>2. I consider investments discussed by influencers who have a large following.</li> </ol>
X2: Capital Availability	Access to Loans	<ol style="list-style-type: none"> <li>1. I find it easy to get a loan to invest in the stock market.</li> <li>2. The availability of loans influences my decision to invest.</li> </ol>
	Interest Rate Influence	<ol style="list-style-type: none"> <li>1. I consider interest rates when deciding to invest.</li> <li>2. Low interest rates make it easier for me to invest.</li> </ol>
	Financial Support	<ol style="list-style-type: none"> <li>1. The financial support program helps me make investment decisions.</li> <li>2. The existence of the financial support program motivates me to invest.</li> </ol>
	Capital Accessibility	<ol style="list-style-type: none"> <li>1. I feel that I have sufficient access to capital to invest.</li> <li>2. Capital accessibility makes it easier for me to invest in stocks.</li> </ol>
	Source of Capital	<ol style="list-style-type: none"> <li>1. I have sufficient capital resources to invest in stocks.</li> <li>2. My investment decision is supported by the availability of capital resources.</li> </ol>

### 3.2.2 Mediator Variable

Variable	Indicator	Statement
Y: Risk Perception	Financial Risk	<ol style="list-style-type: none"> <li>1. I am concerned about potential financial losses in stock investments.</li> <li>2. Financial risk is my main consideration in investment decisions.</li> </ol>
	Social Risk	<ol style="list-style-type: none"> <li>1. I feel affected by social views on the risks of equity investment.</li> <li>2. Social risk affects my interest in investing in stocks.</li> </ol>

	Investment Performance Risk	<ol style="list-style-type: none"> <li>1. I tend to consider the potential underperformance of stock investments.</li> <li>2. The risk of investment performance influences my investment decisions.</li> </ol>
	Psychological Risk	<ol style="list-style-type: none"> <li>1. I feel anxious about investment decisions due to market uncertainty.</li> <li>2. Psychological risk affects my confidence in investing in stocks.</li> </ol>
	Time Risk	<ol style="list-style-type: none"> <li>1. I consider the time risk in stock investment.</li> <li>2. The risk of losing productive time makes me hesitate to invest.</li> </ol>

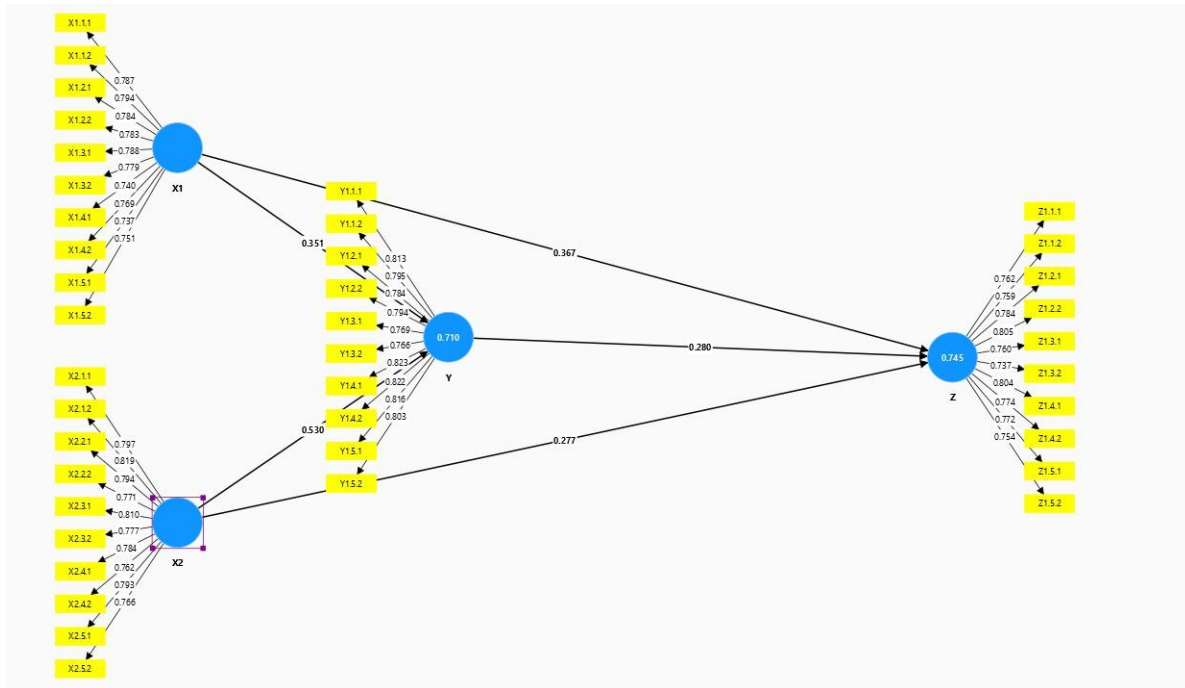
### 3.2.3 Dependent Variable

Variable	Indicator	Statement
Stock Investment Decisions	Financial Literacy	<ol style="list-style-type: none"> <li>1. I believe I possess sufficient financial literacy to make investment decisions.</li> <li>2. My level of financial literacy influences my interest in investing.</li> </ol>
	Investment Experience	<ol style="list-style-type: none"> <li>1. My experience in managing finances enhances my confidence to invest.</li> <li>2. My experience plays a significant role in stock investment decisions.</li> </ol>
	Self-Control	<ol style="list-style-type: none"> <li>1. I believe that the success of stock investments greatly depends on self-control.</li> <li>2. My belief in maintaining control over investments affects my investment decisions.</li> </ol>
	Attitude Toward Risk	<ol style="list-style-type: none"> <li>1. I feel comfortable taking risks in stock investments.</li> <li>2. My attitude toward risk influences the investment decisions I mak</li> </ol>
	Information Analysis	<ol style="list-style-type: none"> <li>1. I always analyze information thoroughly before investing in stocks.</li> <li>2. The quality of information I obtain impacts my investment decisions.</li> </ol>

### 3.3 Data Analysis

After collecting responses, data analysis was conducted using Structural Equation Modeling (SEM) with SmartPLS 4.0 software. This method allows for examining complex relationships between variables, assessing both direct and indirect effects, and exploring the mediating role of Risk Perception in the relationships between social media influencers, Capital Availability , and stock investment decisions.

**Figure 1. Research Model**



#### 4. Result

##### 4.1 Descriptive Respondent Analysis

This section outlines the process of describing the respondents based on their gender, age, education level, and the number of responses for each variable. The study involved a total of 156 respondents, obtained through the distribution of questionnaires.

Description	Number
Distributed Questionnaires	156
Returned Questionnaires	156
Damaged/Incomplete Questionnaires	-
Number of Respondents	156

**Table 1.** Questionnaire Distribution

In this study, a total of 156 research samples were determined, which required the distribution of 156 questionnaires. The distribution results showed that all 156 questionnaires were returned, with no damaged or incomplete responses.

To calculate the scale range and assign scores to the respondents' responses, the following steps are outlined:

$$RS = \frac{m-n}{b}$$

Description:

RS = Scale Range

m = Highest score on the scale

n = Lowest score on the scale

b = Number of categories created

Calculation:

$$RS = \frac{m - n}{b - 1}$$

Based on the scale category results, the scale range is defined as follows:

1.00 – 1.80 = Very Low

1.81 – 2.60 = Low

2.61 – 3.40 = Moderate

3.41 – 4.20 = High

4.21 – 5.00 = Very High

The scores assigned for each statement in each variable are as follows:

STS or “Strongly Disagree” = 1

TS or “Disagree” = 2

N or “Neutral” = 3

S or “Agree” = 4

SS or “Strongly Agree” = 5

#### 4.1.1 Respondent Gender

Based on Table 4.1 on the number of respondents, it can be observed that 98 respondents are male and 58 are female. This indicates that the majority of respondents are male. The table below provides a detailed overview of the respondents' gender distribution:

Gender	Number	Percentage
Male	98	63
Female	58	37
Total	156	100

**Table 2.** Respondent Gender

#### 4.1.2 Respondent Age

In this study, the respondents' ages were categorized into four groups. Based on these age groups, the range of 18–20 years represents the smallest proportion. The majority of respondents fall within the age ranges of 21–22 and 22–24 years. Finally, the age range above 24 years is the second smallest category. The table below provides an overview of the respondents' age distribution:

<b>Age</b>	<b>Number</b>	<b>Percentage</b>
18-20	13	8
21-22	54	35
22-24	57	36
>24	32	21
<b>Total</b>	<b>156</b>	<b>100</b>

#### **4.1.3 Student Status**

The majority of respondents are students currently pursuing their education, while the remainder are non-students. Based on this data, the following table provides an overview of the respondents' educational status:

<b>Status</b>	<b>Number</b>	<b>Percentage</b>
Student	127	82
Non-Student	29	18
<b>Total</b>	<b>156</b>	<b>100</b>

#### **4.1.4 Stock Investment Experience**

All respondents have either previously invested or are currently investing in the capital market, ensuring the validity of their responses. The following table provides detailed information about the respondents' stock investment experience.

<b>Status</b>	<b>Number</b>	<b>Percentage</b>
Experienced	156	100
Never Experienced	-	-
<b>Total</b>	<b>156</b>	<b>100</b>

#### 4.1.5 Respondents' Responses to Social Media Influencers

To understand the respondents' perceptions of Social Media Influencers, the details are presented in the following table:

Indicators	STS		TS		N		S		SS		Avg
	F	Score	F	Score	F	Score	F	Score	F	Score	
Influencer Appeal	-	-	-	-	18	72	71	284	48	240	3,705
	-	-	-	-	17	51	62	248	58	290	3,775
	-	-	-	-	11	33	53	212	73	365	3,910
	-	-	-	-	16	48	63	252	58	290	3,782
Influence on Investment Attitude	-	-	3	6	17	51	54	216	63	315	3,769
	-	-	-	-	16	48	47	188	74	370	3,884
Interaction with Influencer Content	-	-	-	-	10	30	51	204	76	380	3,935
	-	-	-	-	12	36	56	224	69	345	3,878
Number of Influencer Followers	-	-	-	-	10	30	53	212	74	370	3,923
	-	-	-	-	8	24	46	184	83	415	3,993
<b>Average Variable Value</b>											<b>3,867</b>

The highest average score is for "Number of Influencer Followers" at 3.993, indicating its strong influence on investment decisions. The lowest score is for "Influencer Credibility" at 3.705, suggesting it has less impact compared to other factors.

#### 4.1.6 Respondents' Responses to Capital Availability

To understand the respondents' perceptions of Capital Availability, the details are presented in the following table:

Indikator	STS		TS		N		S		SS		Avg
	F	Score	F	Score	F	Score	F	Score	F	Score	
Access to Loans	-	-	-	-	12	36	66	264	59	295	3,814
	-	-	-	-	12	36	48	192	77	385	3,929
Impact of	-	-	-	-	14	42	49	196	74	370	3,897

Interest Rates	-	-	-	-	14	42	63	252	60	300	3,807
Financial Support	-	-	3	6	14	42	48	192	72	360	3,846
	-	-	-	-	13	36	57	228	68	340	3,871
Capital Accessibility	-	-	-	-	11	33	53	212	73	365	3,910
	-	-	-	-	12	36	55	220	70	350	3,884
Sources of Capital	-	-	4	8	12	36	51	204	70	350	3,833
	-	-	-	-	9	27	48	192	80	400	3,967
<b>Average Variable Value</b>											3,876

The highest average score within this variable is "Capital Accessibility", with a score of 3.910, indicating the importance of access to capital as a key resource for respondents. Conversely, the indicator with the lowest average score is "Speed of Capital Access", with an average of 3.814. While still considered important, it is not as influential as other indicators in shaping investment decisions.

#### 4.1.7 Respondents' Responses to Risk Perception

To understand the respondents' perceptions of Risk, the details are presented in the following table:

Indicators	STS		TS		N		S		SS		Avg
	F	Score	F	Score	F	Score	F	Score	F	Score	
Financial Risk	-	-	2	4	16	48	62	248	57	285	3,750
	-	-	2	4	13	39	58	232	64	320	3,814
Social Risk	-	-	1	2	12	36	58	232	66	330	3,846
	-	-	1	2	8	24	52	208	76	380	3,935
Investment Performance Risk	-	-	2	4	11	33	58	232	66	330	3,839
	-	-	0	0	11	33	58	232	68	340	3,878
	-	-	3	6	13	39	53	212	68	340	3,826

Psychological  
Risk

	-	-	2	4	9	27	43	172	83	415	3,961
	-	-	2	4	12	36	49	196	74	370	3,884
Time Risk	-	-	3	6	18	54	54	216	62	310	3,756
<b>Average Variable Value</b>											3,849

The indicator with the highest average score is "Psychological Risk", with a score of 3.961, indicating that psychological risk plays a significant role in influencing respondents to make quick investment decisions. On the other hand, "Financial Risk" has the lowest average score, with an average of 3.750, suggesting that the perception of financial risk may not be as impactful as the urgency driven by psychological factors in influencing investment decisions.

#### 4.1.8 Respondents' Responses to Stock Investment Decisions

To understand the respondents' perceptions regarding Stock Investment Decisions, the details are presented in the following table:

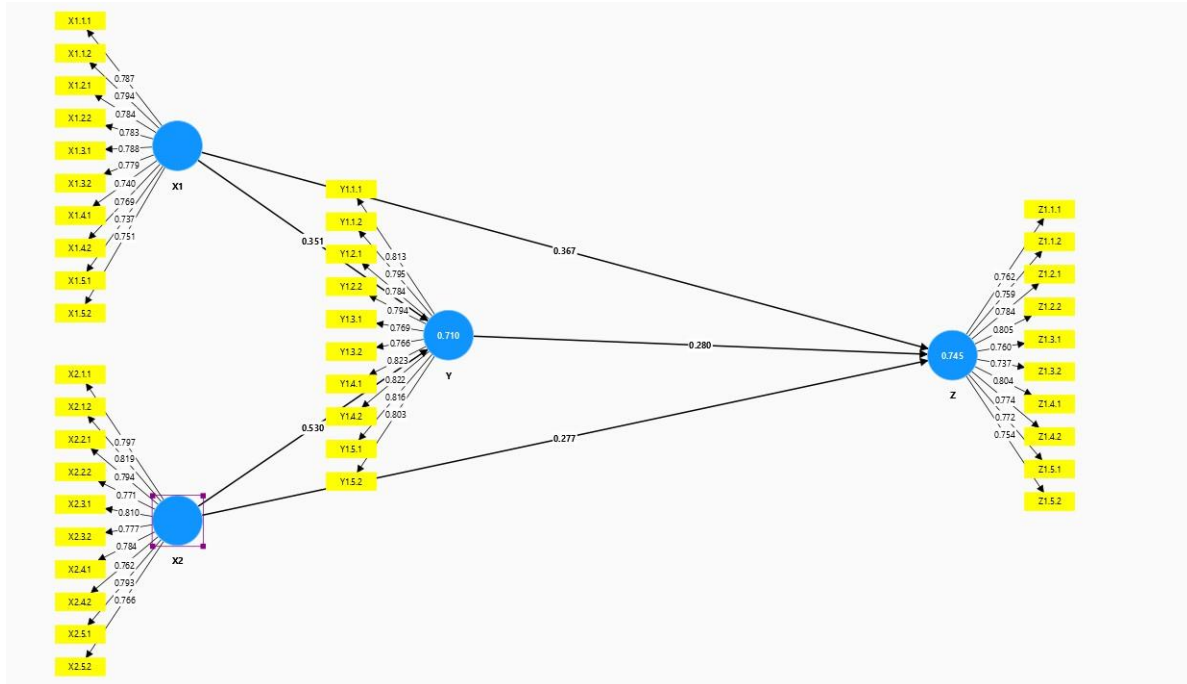
Indicators	STS		TS		N		S		SS		Avg
	F	Score	F	Score	F	Score	F	Score	F	Score	
Financial Literacy	-	-	3	6	9	27	69	276	56	280	3,775
	-	-	1	2	10	30	65	260	61	305	3,826
Investment Experience	-	-	3	6	12	36	68	272	54	270	3,743
	-	-	1	2	14	42	51	204	71	355	3,865
Self-Control	-	-	1	2	10	30	70	280	56	280	3,794
	-	-	3	6	13	39	47	188	74	370	3,865
Attitude Toward Risk	-	-	2	4	11	33	62	248	62	310	3,814
	-	-	1	2	7	21	60	240	69	345	3,897
Information Analysis	-	-	1	2	5	15	63	252	68	340	3,903
	-	-	-	-	11	33	59	236	67	335	3,871
<b>Average Variable Value</b>											3,835

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The highest average score is observed in the indicator "Self-Control", with an average score of 3.865, emphasizing that self-control plays a highly significant role in stock investment decisions. The indicator with the lowest average score is "Investment Experience", with a score of 3.743, indicating that investment experience is less influential compared to other indicators.

## 4.2 Validity & Reliability

### 4.2.1 Convergent Validity



The loading factor in the model indicates valid values, with most exceeding 0.7, confirming the consistency and strength of the indicators in measuring the constructs. There are no significant outliers affecting validity, ensuring that the data is reliable for further analysis.

### Discriminant Validity

Based on the AVE values and the square root of AVE:

#### 1. AVE Values

Variable	Average variance extracted (AVE)
Social Media Influencer	0.595
Risk Perception	0.638
Capital Availability	0.62

Stock Investment Decisions	0.595
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The AVE values for all constructs are above 0.5, indicating that each construct possesses adequate convergent validity and is capable of explaining more than half of the variance of its indicators.

## 2. The Square Root of AVE

	Stock Investment Decisions	Capital Availability	Risk Perception	Social Media Influencer
Stock Investment Decisions	0.771			
Capital Availability	0.808	0.787		
Risk Perception	0.795	0.818	0.799	
Social Media Influencer	0.815	0.822	0.786	0.771

The discriminant validity results based on the Fornell-Larcker criterion indicate that the square root of AVE (diagonal) for each construct is greater than the correlations between constructs, demonstrating adequate discriminant validity.

### 4.2.2 Collinearity Test of the Model

The analysis is conducted by examining the Variance Inflation Factor (VIF) values:

- VIF > 5.00: Indicates collinearity issues.
- VIF < 5.00: Indicates no collinearity issues.

	VIF		VIF
X1.1.1	2.421	Y1.1.1	2.471
X1.1.2	2.353	Y1.1.2	2.406
X1.2.1	2.322	Y1.2.1	2.324
X1.2.2	2.311	Y1.2.2	2.355
X1.3.1	2.333	Y1.3.1	2.158
X1.3.2	2.316	Y1.3.2	2.151
X1.4.1	2.05	Y1.4.1	2.89
X1.4.2	2.313	Y1.4.2	2.806
X1.5.1	2.147	Y1.5.1	2.585
X1.5.2	2.011	Y1.5.2	2.366
X2.1.1	2.33	Z1.1.1	2.525

X2.1.2	2.614	Z1.1.2	2.195
X2.2.1	2.35	Z1.2.1	2.718
X2.2.2	2.169	Z1.2.2	2.438
X2.3.1	2.767	Z1.3.1	2.041
X2.3.2	2.145	Z1.3.2	1.906
X2.4.1	2.313	Z1.4.1	2.721
X2.4.2	2.081	Z1.4.2	2.814
X2.5.1	2.622	Z1.5.1	2.609
X2.5.2	2.155	Z1.5.2	2.195

#### 4.2.3 Reliability

- **Cronbach's Alpha:** > 0.7
- **Rho\_A:** > 0.7
- **Composite Reliability:** > 0.6

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
Stock Investment Decisions	0.924	0.925	0.936	0.595
Capital Availability	0.932	0.933	0.942	0.62
Risk Perception	0.937	0.938	0.946	0.638
Social Media Influencer	0.924	0.925	0.936	0.595

Cronbach's Alpha and Composite Reliability values exceeding 0.9 indicate that all constructs in the model exhibit very high reliability, ensuring strong internal consistency in the measurements.

#### 4.2.4 Structural Model/Inner Model Test

- **R-Square (R<sup>2</sup>):** Measures the proportion of variance in the dependent (endogenous) variable explained by the independent (exogenous) variables.
- **Criteria:**
  - **R<sup>2</sup> = 0.75:** Substantial (strong)
  - **R<sup>2</sup> = 0.50:** Moderate
  - **R<sup>2</sup> = 0.25:** Weak (low)
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	R-square	R-square adjusted
Stock Investment Decisions	0.745	0.74

<b>Risk Perception</b>	0.71	0.706
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The R-square values indicate that the Risk Perception variable (Y) is explained by 71% of the independent variables in the model, while the Stock Investment Decision (Z) is explained by 74%, suggesting that the model has strong predictive capability, particularly for investment decisions.

## 2) F-Square

**F<sup>2</sup> Effect Size (F-Square):** A measure used to assess the relative impact of an exogenous variable on an endogenous variable.

- **Criteria:**
  - **F<sup>2</sup> = 0.02:** Small/Weak
  - **F<sup>2</sup> = 0.15:** Medium
  - **F<sup>2</sup> = 0.35:** Large/Strong

	<b>Stock Investment Decisions</b>	<b>Capital Availability</b>	<b>Risk Perception</b>	<b>Social Media Influencer</b>
<b>Stock Investment Decisions</b>				
<b>Capital Availability</b>	0.074		0.314	
<b>Risk Perception</b>	0.089			
<b>Social Media Influencer</b>	0.151		0.137	

The **F-square** values indicate that Social Media Influencer (X1) has a large impact on Stock Investment Decision (Z) (0.151) and Risk Perception (Y) (0.089), while Capital Availability (X2) has only a small impact on Stock Investment Decision (Z) (0.074).

### 4.2.5 Hypothesis Testing

1. **Direct Effect (Path Coefficient):** Direct effect analysis is useful to test the hypothesis of the direct influence of an exogenous variable on an endogenous variable. If the path coefficient is positive, the effect of one variable on the other is in the same direction; as the exogenous variable increases, the endogenous variable also increases. If the path coefficient is negative, the effect of one variable on the other is in the opposite direction; as the exogenous variable increases, the endogenous variable decreases.

**Probability/Significance Value (P-Value):**

- If the P-Value < 0.05, it is significant.
- If the P-Value > 0.05, it is not significant.

	<b>Original</b>	<b>Sample</b>	<b>Standard</b>	<b>T statistics</b>	<b>P values</b>
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	sample (O)	mean (M)	deviation (STDEV)	( O/STDEV )	
<b>Capital Availability -&gt; Stock Investment Decisions</b>	0.277	0.276	0.087	3.191	0.001
<b>Capital Availability-&gt; Risk Perception</b>	0.53	0.527	0.075	7.096	0
<b>Risk Perception -&gt; Stock Investment Decisions</b>	0.28	0.279	0.092	3.028	0.002
<b>Social Media Influencer -&gt; Stock Investment Decisions</b>	0.367	0.369	0.09	4.085	0
<b>Social Media Influencer -&gt; Risk Perception</b>	0.351	0.355	0.073	4.811	0

Based on the table above, the following conclusions can be drawn:

- **Risk Perception**  $\square$  **Stock Investment Decision** = 0.280 (Positive), P-Value 0.002 < 0.05 (significant) (H1)
- **Capital Availability**  $\square$  **Risk Perception** = 0.530 (Positive), P-Value 0.000 < 0.05 (significant) (H2)
- **Capital Availability**  $\square$  **Stock Investment Decision** = 0.277 (Positive), P-Value 0.001 < 0.05 (significant) (H3)
- **Social Media Influencer**  $\square$  **Risk Perception** = 0.351 (Positive), P-Value 0.000 < 0.05 (significant) (H4)
- **Social Media Influencer**  $\square$  **Stock Investment Decision** = 0.367 (Positive), P-Value 0.000 < 0.05 (significant) (H5)

## 2) Indirect Effect

Indirect effect analysis is useful for testing the hypothesis of the indirect influence of an exogenous variable on an endogenous variable, mediated by an intervening variable (mediator).

**Criteria:** If the P-Value < 0.05, it is significant (the effect is indirect), meaning the intervening variable "plays a role" in mediating the relationship between the exogenous and endogenous variables. If the P-Value > 0.05, it is not significant (the effect is direct), meaning the intervening variable "does not play a role" in mediating the relationship between the exogenous and endogenous variables.

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics ( O/STDEV )	P values
<b>Capital Availability -&gt; Stock Investment Decisions</b>	0.148	0.148	0.055	2.708	0.007

<b>Social Media Influencer -&gt; Stock Investment Decisions</b>	0.098	0.099	0.039	2.528	<b>0.011</b>
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Both mediation effects are significant, indicating that risk perception plays an important role in mediating the relationship between capital availability and social media influencers on stock investment decisions.

## Research Results

**H1:** Social media influencers have a significant impact on risk perception in stock investment decisions among Generation Z in Jakarta.

The influence of social media influencers can shape risk perception in investment through the content they share. The credibility of influencers affects how investors perceive investment risks (Orion Journals, 2024). The number of followers an influencer has increases trust in their advice, thus shaping risk perception (MDPI, 2024). Interaction with followers through educational content helps build an understanding of risk (Theseus, 2023).

**H2:** Availability of capital significantly affects risk perception in stock investment decisions among Generation Z in Jakarta.

Greater access to capital influences risk perception, particularly in investment decision-making. The ease of capital access increases risk expectations among young investors (PLOS ONE, 2023). Stable capital allows investors to be more confident, even though high risks still exist (BMC Psychology, 2021). A diverse source of capital helps balance investment risks (MDPI, 2020).

**H3:** Risk perception significantly affects stock investment decisions among Generation Z in Jakarta.

Risk perception plays an essential role in influencing investment decisions. Psychological risk is a significant factor in driving investment decision-making (Brailovskaia et al., 2023). Perceived time risk encourages investors to act more cautiously (Fabris et al., 2020). Financial risk is often a major barrier in investment decisions (Elhai et al., 2021).

**H4:** Social media influencers have a significant direct impact on stock investment decisions among Generation Z in Jakarta.

The direct influence of influencers motivates Generation Z to be more active in stock investment. Influencer recommendations increase investment intentions through trust (Van Solt, 2019). Engaging and educational content helps build confidence in investment decisions (Non-Sustainable Buying Behavior, 2021). Influencers with large audiences have a greater impact on shaping investment decisions (Consortia Academia, 2015).

**H5:** Availability of capital has a significant direct impact on stock investment decisions among Generation Z in Jakarta.

The accessibility of capital directly enhances Generation Z's ability to make investment decisions. Sufficient capital allows for more effective investment diversification (Chen et al., 2022). Easy access to capital encourages greater risk-taking in stock investments (European Proceedings, 2021). Adequate capital support enables more directed investment decisions (Springer, 2020).

**H6:** Risk perception mediates the influence of social media influencers on stock investment decisions among Generation Z in Jakarta.

Risk perception, shaped by the influence of social media influencers, strengthens their impact on investment decisions. Credible influencers enhance risk understanding among young investors (Chen et al., 2022). FoMO triggered by influencers accelerates investment decisions, despite perceived risks (European Proceedings, 2021). Educational content from influencers helps reduce risk uncertainty (Lackermair et al., 2013).

**H7:** Risk perception mediates the influence of availability of capital on stock investment decisions among Generation Z in Jakarta.

The availability of capital that influences risk perception ultimately drives investment decisions. Broad access to capital creates a balanced risk perception, which enhances investment decisions (PLOS ONE, 2023). Understanding risk through access to capital helps investors make more informed decisions (BMC Psychology, 2021). Platforms with easy access to capital reduce uncertainty in investment decision-making (MDPI, 2020).

## **5.1 Conclusion, Implication, and Recommendation**

### **Conclusion**

Based on the findings, social media influencers significantly impact the risk perception and stock investment decisions of Generation Z in Jakarta. Influencer credibility, attractiveness, and follower count play a crucial role in shaping investment attitudes and interests. Capital availability also directly influences risk perception and investment decisions, with access to capital enhancing confidence in investment choices. However, risk perception mediates the relationship between influencers, capital availability, and investment decisions. Financial literacy, self-control, and investment experience are key factors influencing Generation Z's investment decisions.

### **Implications**

This study highlights the importance of social media influencers in shaping the investment behaviors of Generation Z, especially in Jakarta. It underscores the need for informed, credible influencer content to mitigate risk perception biases. Moreover, it emphasizes the significance of accessible capital in fostering investment confidence. Financial literacy programs are crucial to ensuring that Generation Z can make rational investment decisions. For investment platforms, this suggests the need to provide financial education alongside accessible capital to support informed decision-making and mitigate risks.

### **Recommendations**

For Generation Z as beginner investors, improving financial literacy to understand the risks and benefits of stock investment is essential. Additionally, it is important to critically evaluate information from social media influencers, verifying the data before making investment decisions. Social media influencers should ensure the credibility of their investment-related content and avoid promoting stocks without clear analytical backing to protect their audience from financial harm. Investment platforms should provide inclusive capital access and offer financial education focused on risk management and diversification strategies. Further research should explore macroeconomic factors and investment technologies' impact on Generation Z's investment behavior.

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