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THE EFFECT OF INCOME, FINANCIAL LITERACY, AND SOCIAL MEDIA ON THE INVESTMENT DECISIONS OF GENERATION Z WITH FINANCIAL PLANNING AS A MEDIATOR

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Abstract
The development of digital technology and the flow of information through social media have changed the financial behavior of Generation Z, including in investment decision-making. Wide access to various platforms and investment instruments has increased the participation of this generation, but this is not always balanced with adequate financial management and planning skills. Investment decisions are influenced by income, financial literacy, and exposure to social media, with financial planning as a factor that strengthens these relationships. This study aims to analyze the influence of income, financial literacy, and social media on the investment decisions of Generation Z workers in Jakarta, with financial planning as a mediating variable. This study uses a quantitative approach with a descriptive and associative design. The research sample consisted of 384 respondents selected through purposive sampling. Data collection was conducted using an online questionnaire with a Likert scale. Data analysis used the PLS-SEM method with the help of SmartPLS 3.0, through outer model and inner model testing and hypothesis testing at a 5% significance level. The results showed that income, financial literacy, and social media had a positive and significant effect on investment decisions. Financial planning also had a positive and significant effect on investment decisions and was able to mediate the relationship between income, financial literacy, and social media on investment decisions. Based on these results, improving literacy, financial planning, and the educational use of social media can strengthen the quality of investment decision-making among Generation Z workers in Jakarta.
Keywords: Income, financial literacy, social media, financial planning, investment decisions.

INTRODUCTION

Investment is one of the main components in maintaining economic stability, both for individuals and society. Amidst the development of globalization and digitalization, investment is increasingly seen as an important necessity to ensure financial security in the future (Kurniawan, n.d.; Zainuri, 2023). Generation Z, born between 1997 and 2012 (Arum et al., 2023), is currently in their productive age range and is entering the workforce, making them a potential group in the financial sector, especially investment. This generation's familiarity with digital technology makes it easier for them to access information about financial instruments, online transaction platforms, and increasingly *user-friendly* investment applications, thereby encouraging increased financial literacy and participation in investment activities.

This development is reflected in the increase in the number of investors in the Indonesian capital market. Based on data from PT Kustodian Sentral Efek Indonesia, the total number of capital market investors was recorded at 12.16 million people in December 2023. This figure increased by 140,375 people or grew by 1.17% compared to the previous month, and experienced a surge of 18.01% annually compared to December 2022 (Databoks Kata Data., 2024).

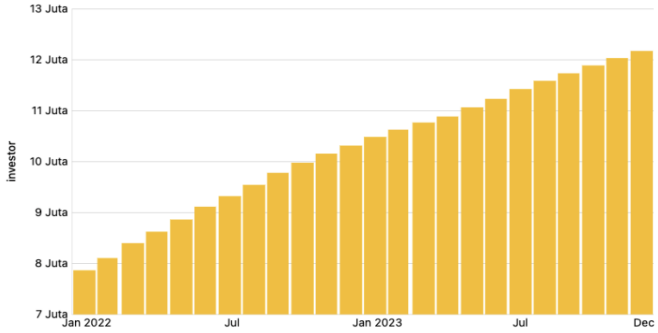

Figure 1. Number of Investors in Indonesia (January 2022-December 2023)
Source: (Databoks Kata Data., 2024)

Generation Z is the focus of attention because of its contribution to economic development in the modern era as a productive age group that has grown up amid rapid technological advances and an abundance of information, giving them a distinctive mindset in financial management and investment. Based on a report by the Indonesian Central Securities Depository (GoodStats, 2024), in July 2024, the number of investors in the Indonesian capital market reached 13.34 million, an increase of 2.05% compared to the previous month, with the majority of investors being individuals. Male investors still dominate at 62.08%, with total assets recorded at IDR 1,140.61 trillion on C-BEST and IDR 86.83 trillion on S-INVEST, while Generation Z and Millennials are the groups that dominate market participation.

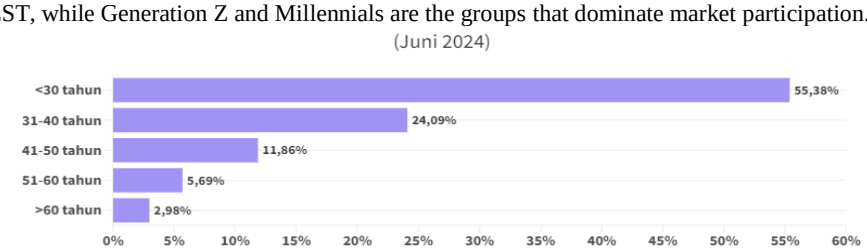

Figure 2. Number of capital market investors by age (June 2024)
Source: (GoodStats., 2024)

This condition shows that Generation Z has a strategic role in the dynamics of the Indonesian capital market, especially in urban areas such as Jakarta as the national economic center. According to Musni Hardi, Deputy Head of Bank Indonesia's DKI Jakarta Representative Office, Jakarta's economic growth in 2025 is estimated to be in the range of 4.7–5.5 percent, driven by household consumption, investment, and exports (ANTARA, 2024). Jakarta contributes 16.6 percent to the national economy with a population of 10.7 million, 71.28 percent of whom are of productive age, and has a 44.5 percent share of the financial services sector of the total sector in Indonesia (ANTARA, 2024). In line with this, data (Central Statistics Agency, 2020) shows that the number of Generation Z in Jakarta has reached 1,291,532 people, indicating the enormous potential of this group in driving economic activity and investment in the future. However, Generation Z in Jakarta also faces challenges in the form of income levels, high cost of living, financial literacy, and the influence of social media on their financial behavior (Aliifah Nurhayati, 2023).

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Investment is the activity of placing funds or assets in certain instruments to obtain returns in the future (Hidayat, 2023b). In making investment decisions, income is one of the main factors because it is a basic element in individual financial management, both to meet daily needs and to allocate funds to investments (Yundari & Artati, 2021). Financial planning is also an important foundation before someone invests, as it is a structured process of managing financial resources to achieve long-term financial goals (Ummah, 2019). For Generation Z who are in the early stages of their careers, limited income and high consumptive needs often pose challenges in balancing current needs with future goals (Lestari et al., n.d). Data (GoodStats., 2024) shows that the average income of Generation Z in Indonesia is still below IDR 2.5 million per month, while 53.5% admit that their expenses exceed their income, making it difficult for them to start investing even though small capital instruments are available (Visi Lestari et al., 2022).

In addition to income, financial literacy is an important factor that influences individuals' understanding of fund management, risk, and investment strategies. The 2024 National Survey of Financial Literacy and Inclusion (SNLIK) shows that Indonesia's financial literacy rate has reached 65.43%, up from 49.68% in 2022, with Generation Z (aged 18–25 years) recording a literacy rate of 70.19% (GoodStats., 2024). Although this is relatively high, further improvement in understanding is still needed so that financial potential can be optimally utilized. Good financial literacy can encourage interest and improve the quality of investment decisions, while low literacy can hinder Generation Z in optimizing investment opportunities in the digital era (Ayuningdiah, 2022).

Furthermore, social media has become the primary source of investment information for Generation Z. Educational content and financial influencers often influence investment interest and perceptions, but they also have the potential to cause impulsive decisions due to information that is not fully verified (Trisnaningsih et al., 2022; Yolan Mahendrayani & Musmini, 2021). Therefore, effective financial planning is a crucial aspect in bridging the influence of income, financial literacy, and social media on investment decisions. Financial planning includes income management, expenditure control, and strategic investment fund allocation (Kartika, 2023), and has been proven to be a key factor in shaping wise investment decisions that are in line with individual risk profiles and financial goals (Pande et al., 2024). The findings of Jumiyani et al. (2024) also show that Generation Z's investment decisions are more influenced by external factors such as social media, so that careful financial planning is needed to ensure that investment decisions remain rational, focused, and long-term oriented.

To ensure the relevance of the research variables to empirical conditions in the field, the researchers conducted a pre-survey of eight Generation Z workers in Jakarta who were selected purposively based on the criteria of being aged 20–28 years, already working, and having their own income. The pre-survey results showed that 75% of respondents were interested in investing, while 25% did not have a strong interest. However, 62.5% of respondents stated that limited income was the main obstacle to starting or increasing their investments. In terms of financial literacy, 62.5% of respondents admitted that they still had limited understanding of investment instruments, risk management, and financial planning, which caused them to be hesitant in making investment decisions. All respondents actively use social media as a source of investment information, with 75% acknowledging the influence of social media content on their initial interest in investing. However, only 37.5% have structured financial planning, while the other 62.5% do not yet have a clear investment fund allocation.

These findings indicate that income, financial literacy, and social media are related to Generation Z's investment decisions and suggest that financial planning has the potential to be a mechanism that bridges these factors. Based on this description, this study was conducted with the title *"The Influence of Income, Financial Literacy, and Social Media on the Investment Decisions of Generation Z Workers with Financial Planning as a Mediating Variable*".

This study is expected to provide theoretical and practical benefits. Theoretically, this study contributes to enriching the literature on factors that influence the investment decisions of young people, especially Generation Z, by integrating the variables of income, financial literacy, and social media and placing financial planning as a mediating variable. The findings of this study are expected to form the basis for further studies related to financial management and investment behavior among young people. Practically, this research provides insights for Generation Z in managing income and planning investments more effectively, as well as serving as a reference for educational institutions, government, and related companies in improving financial literacy and investment education. In addition, the results of this study can be a reference for investment platform providers and financial planners in developing services that suit the characteristics and needs of Generation Z.

RESEARCH METHOD

This study uses a quantitative approach with a descriptive and associative design to analyze the relationship between income, financial literacy, and social media on the investment decisions of Generation Z workers in Jakarta, with financial planning as a mediating variable. The independent variables (X) consist of income, financial literacy, and social media, while the dependent variable (Y) is investment decisions, and the mediating variable (Z) is financial planning. The research population is all Generation Z workers who live or work in Jakarta. The sampling technique used purposive sampling with the criteria of being aged 20–28 years (born 1997–2005), being employed and having a steady income, having access to financial literacy, being active on social media, and having an interest or experience in investing. Since the population size is not known precisely, the sample size was determined using a margin of error formula of 5% with a confidence level of 95%, resulting in a sample size of 384 respondents.Data collection in this study was conducted through an online questionnaire using Google Forms with a Likert scale to measure respondents' attitudes and perceptions of each research variable. The collected data was then analyzed using the Partial Least Square–Structural Equation Modeling (PLS-SEM) method with the help of SmartPLS 3.0 software (Purwanto et al., 2021). The analysis stages included evaluation of the outer model and inner model. *The outer model* evaluation aimed to test the quality of the research instruments through validity tests (*convergent validity* and *discriminant validity*) and reliability tests measured using *Cronbach's Alpha* and *Composite Reliability*. Next, the *inner model* evaluation was conducted to assess the structural relationship between variables, which was seen through the R-square value and path coefficient (Hair, 2021). t hypothesis testing was conducted by comparing the T-statistic value against the T-table value of 1.96 at a significance level of 0.05. This procedure was used to determine the direct and indirect effects between variables in the research model statistically. The proposed hypotheses were as follows:

1. Direct Effect
   a. Hypothesis 1 (H1): Income has a positive effect on the investment decisions of Generation Z workers in Jakarta.
   b. Hypothesis 2 (H2): Financial literacy has a positive effect on the investment decisions of Generation Z workers in Jakarta.
   c. Hypothesis 3 (H3): Social media has a positive effect on the investment decisions of Generation Z workers in Jakarta.
   d. Hypothesis 4 (H4): Financial planning has a positive effect on the investment decisions of Generation Z workers in Jakarta.
2. **Indirect Effect (Mediated Effect)**
   a. Hypothesis 5 (H5): Financial planning mediates the effect of income on the investment decisions of Generation Z workers in Jakarta.
   b. Hypothesis 6 (H6): Financial planning mediates the effect of financial literacy on the investment decisions of Generation Z workers in Jakarta.
   c. Hypothesis 7 (H7): Financial planning mediates the effect of social media on the investment decisions of Generation Z workers in Jakarta.

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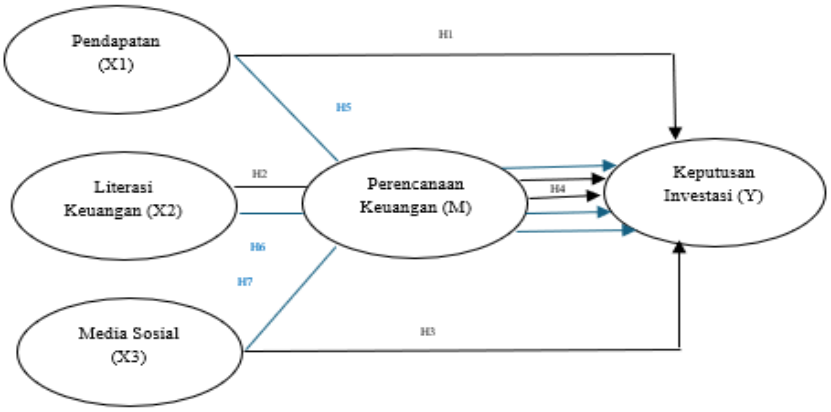
Figure 3. Conceptual Framework

Explanation:

: Partially influential
: Mediating effect



RESULTS AND DISCUSSION

RESULTS

Outer Model Analysis

1. Convergent Validity Test

a. *Convergent Validity (AVE) :* The convergent validity test in this study used the **Average Variance Extracted (AVE)** value criterion with a significance level of α = 0.05. The testing criterion was set so that if the AVE value was > 0.5, H₀ was rejected, meaning that the instrument was declared convergent valid. The AVE value used in decision-making was obtained from the PLS analysis output.

Table 1. *Convergent Validity* (AVE)

Construct	Average Variance Extracted (AVE)
Investment Decision (Y)	0.630274
Financial Literacy (X2)	0.590021
Social Media (X3)	0.645548
Income (X1)	0.635658
Financial Planning (M)	0.583793

Based on the analysis output, it is known that all **AVE** values are greater than 0.5, so H₀ is rejected and the instrument is declared convergent valid. These results indicate that each latent construct is able to explain an average of more than 50% of the variance of its indicators, so it can be concluded that the measurement model in this study has met the criteria for convergent validity.

b. Discriminant Validity: Discriminant validity testing was conducted through cross-loading analysis with a significance level of α = 0.05. The testing criteria stated that if the cross-loading value for each indicator against its construct was greater than 0.70, then H₀ was rejected, and the instrument was declared discriminantly valid.

Table 2. Discriminant Validity

	Investment Decision (Y)	Financial Literacy (X2)	Social Media (X3)	Income (X1)	Financial Planning (M)
M1.1	0.655	0.643	0.664	0.670	**0.727**
M1.10	0.743	0.730	0.764	0.758	**0.794**
M1.11	0.710	0.697	0.740	0.729	**0.735**
M1.12	0.646	0.657	0.638	0.663	**0.725**
M1.2	0.620	0.628	0.645	0.648	**0.701**
M1.3	0.806	0.803	0.775	0.765	**0.815**
M1.4	0.720	0.708	0.650	0.680	**0.746**
M1.5	0.702	0.708	0.641	0.672	**0.731**
M1.6	0.743	0.774	0.742	0.725	**0.798**
M1.7	0.750	0.792	0.749	0.766	**0.820**
M1.8	0.785	0.785	0.757	0.742	**0.798**
M1.9	0.724	0.705	0.719	0.733	**0.767**
X1.1	0.774	0.774	0.764	**0.811**	0.779
X1.2	0.788	0.780	0.783	**0.838**	0.776
X1.3	0.830	0.784	0.830	**0.846**	0.793
X1.4	0.747	0.728	0.723	**0.774**	0.749
X1.5	0.798	0.778	0.788	**0.807**	0.767
X1.6	0.677	0.678	0.718	**0.752**	0.735
X1.7	0.750	0.729	0.724	**0.782**	0.706
X1.8	0.741	0.721	0.730	**0.791**	0.722
X1.9	0.716	0.679	0.692	**0.771**	0.668
X2.1	0.673	**0.769**	0.644	0.650	0.714
X2.10	0.719	**0.739**	0.708	0.733	0.742
X2.11	0.693	**0.713**	0.707	0.706	0.719
X2.12	0.610	**0.735**	0.612	0.618	0.670
X2.2	0.649	**0.756**	0.643	0.656	0.722
X2.3	0.801	**0.820**	0.760	0.759	0.753
X2.4	0.708	**0.730**	0.638	0.672	0.672
X2.5	0.740	**0.741**	0.653	0.706	0.689
X2.6	0.788	**0.816**	0.772	0.776	0.755
X2.7	0.831	**0.866**	0.790	0.818	0.801
X2.8	0.788	**0.818**	0.750	0.766	0.750
X2.9	0.650	**0.696**	0.649	0.666	0.705
X3.1	0.770	0.750	**0.827**	0.763	0.743

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X3.10	0.787	0.753	**0.834**	0.776	0.751
X3.11	0.807	0.783	**0.855**	0.818	0.795
X3.12	0.812	0.782	**0.841**	0.806	0.781
X3.13	0.800	0.788	**0.830**	0.806	0.784
X3.14	0.847	0.825	**0.869**	0.848	0.819
X3.15	0.633	0.653	**0.701**	0.660	0.652
X3.2	0.698	0.687	**0.752**	0.707	0.711
X3.3	0.746	0.741	**0.797**	0.745	0.745
X3.4	0.776	0.752	**0.798**	0.790	0.752
X3.5	0.697	0.646	**0.744**	0.686	0.690
X3.6	0.743	0.737	**0.812**	0.766	0.781
X3.7	0.602	0.554	**0.724**	0.618	0.633
X3.8	0.717	0.684	**0.805**	0.734	0.745
X3.9	0.790	0.749	**0.842**	0.793	0.768
Y1.1	**0.854**	0.806	0.801	0.796	0.774
Y1.2	**0.753**	0.683	0.643	0.689	0.682
Y1.3	**0.796**	0.722	0.684	0.730	0.700
Y1.4	**0.830**	0.806	0.808	0.804	0.773
Y1.5	**0.865**	0.823	0.801	0.822	0.792
Y1.6	**0.833**	0.784	0.770	0.786	0.749
Y1.7	**0.700**	0.674	0.656	0.688	0.725
Y1.8	**0.764**	0.732	0.765	0.759	0.777
Y1.9	**0.732**	0.682	0.730	0.711	0.746

Based on the results *of cross-loading* analysis, all indicators in the constructs of Income (X1), Financial Literacy (X2), Social Media (X3), Financial Planning (M), and Investment Decisions (Y) have *cross-loading* values of more than 0.70 in their respective constructs. Therefore, it can be concluded that all constructs in this study have met the discriminant validity criteria, meaning that each indicator is able to represent the measured construct accurately and distinctly from other constructs.

2. Reliability Test

a. Composite Reliability

Composite reliability testing was conducted with a significance level of $\alpha = 0.05$ to assess the internal consistency of the construct. The testing criteria stated that if the composite reliability value was > 0.70, H_0 would be rejected, meaning that the construct would be deemed to meet composite reliability.

Table 3. Composite Reliability

Construct	Composite Reliability
Investment Decision (Y)	0.889605
Financial Literacy (X2)	0.894325
Social Media (X3)	0.923641
Income (X1)	0.880478
Financial Planning (M)	0.897454

Based on the analysis results, all composite reliability values for each instrument construct are above 0.70, so H_0 is rejected and it can be concluded that all constructs meet the composite reliability criteria. These results indicate that the research instrument has good internal consistency and a high level of reliability in measuring each variable studied.

b. Cronbach Alpha

The reliability test using Cronbach's Alpha was conducted with a significance level of $\alpha = 0.05$ to assess the internal consistency of the instrument. The test criteria state that if the Cronbach's Alpha value is > 0.60, then H_0 is rejected, and the construct is declared reliable.

Table 4. Cronbach Alpha

Construct	Cronbach's Alpha
Investment Decision (Y)	0.858402
Financial Literacy (X2)	0.870025
Social Media (X3)	0.910699
Income (X1)	0.846194
Financial Planning (M)	0.874804

Based on the analysis results, all Cronbach's Alpha values for each construct are above 0.60, so H_0 is rejected and it can be concluded that all constructs in this study's instrument are reliable and meet the Cronbach's alpha criteria.

Inner Model Analysis

1. F-square : The *F-square* values obtained can be categorized as small effect (*F-square* = 0.02), medium effect (F-square = 0.15), and large effect (*F-square* = 0.35).

Table 5. F-Square Test

	Investment Decision (Y)	Financial Planning (M)
Investment Decision (Y)		
Financial Literacy (X2)	0.125	**0.411**
Social Media (X3)	0.055	0.108
Income (X1)	**0.160**	0.048
Financial Planning (M)	0.033	

Based on the analysis results table, Financial Planning (M) has an influence of 0.075 on Investment Decisions (Y), which is categorized as a small influence. Income (X1) has an influence of 0.610 on Investment Decisions (Y), which is categorized as a large influence, while Financial Literacy (X2) and Social Media (X3) have an influence of 0.082 on Investment Decisions (Y), which is categorized as a small influence. Furthermore, Income (X1) has a significant influence of 1.556 on Financial Planning (M), while Financial Literacy (X2) and Social Media (X3) have a significant influence of 0.247 on Financial Planning (M).

2. ***Coefficient of Determination* (*R-Square*):** An R-Square of 0.75 indicates a strong model, 0.50 indicates a moderate model, and 0.25 indicates a weak model. From the PLS output, we obtain:

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Table 6. ***Coefficient of Determination (R-Square)***

	R Square	Adjusted R Square
Investment Decision (Y)	0.939	0.938
Financial Planning (M)	0.924	0.923

Based on the analysis results, the R-square value for the Investment Decision (Y) construct is 0.939, which means that 93.9% of the variability in Investment Decisions can be explained by Income (X1), Financial Literacy (X2), Social Media (X3), and Financial Planning (M), while the remaining 6.1% is influenced by other variables outside the scope of this study. Meanwhile, the R-square value for the Financial Planning (M) construct is 0.924, indicating that 92.4% of its variability can be explained by Income (X1), Financial Literacy (X2), and Social Media (X3), while the remaining 7.6% is influenced by other factors not examined in this study.

t-test (Hypothesis)

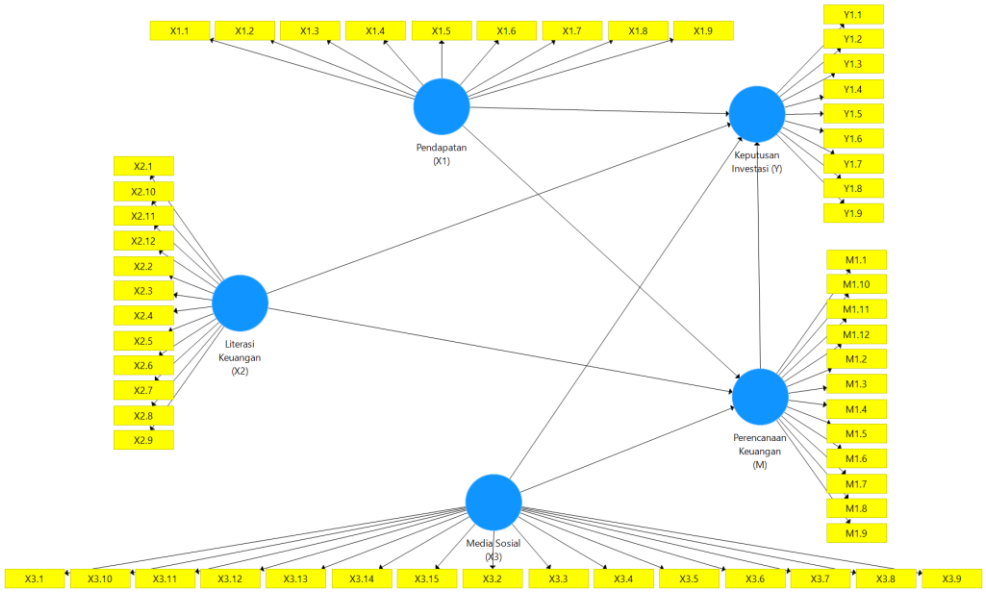

Figure 4. t-test (Hypothesis)

Hypothesis testing is performed by determining the critical region based on the t-value and significance level. The testing decision is set such that H_0 is rejected if the calculated t-value > t-table (1.96) or the significance level < 0.05, which means that the alternative hypothesis is accepted. Conversely, H_0 is not rejected if the calculated t-value < 1.96 or the significance level > 0.05, meaning that the alternative hypothesis is not statistically supported.

Table 7. t-test (Hypothesis)

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Financial Literacy (X2) -> Investment Decision (Y)	0.289	0.304	0.114	2.536	0.012
Financial Literacy (X2) -> Financial Planning (M)	0.493	0.497	0.061	8.047	0
Social Media (X3) -> Investment Decision (Y)	0.189	0.184	0.047	4.009	0.000
Social Media (X3) -> Financial Planning (M)	0.281	0.279	0.047	6,001	0.000
Income (X1) -> Investment Decision (Y)	0.355	0.351	0.058	6.153	0
Income (X1) -> Financial Planning (M)	0.212	0.210	0.056	3.804	0
Financial Planning (M) -> Investment Decisions (Y)	0.162	0.154	0.063	2.574	0.010
Financial Literacy (X2) -> Financial Planning (M) -> Investment Decisions (Y)	0.080	0.075	0	2.678	0.008
Social Media (X3) -> Financial Planning (M) -> Investment Decisions (Y)	0.046	0.044	0.021	2.215	0.027
Income (X1) -> Financial Planning (M) -> Investment Decision (Y)	0.034	0.033	0.017	2	0.046

Based on the results listed in the table above, several conclusions can be drawn as follows:

H_1: The effect of income (X1) on investment decisions (Y)

The t-value is 6.153 > 1.96 with a significance of 0.000 < 0.05 and a path coefficient of 0.355 > 0, so H_1 is accepted. This means that Income (X1) has a positive and significant effect on the Investment Decision (Y) of Generation Z workers in Jakarta. Each 1-unit increase in Income increases Investment Decisions by 0.355.

H_2: The Effect of Financial Literacy (X2) on Investment Decisions (Y)

The t-value is 2.536 > 1.96 with a significance of 0.012 < 0.05 and a path coefficient of 0.289 > 0, so H_2 is accepted. Financial Literacy (X2) has a positive and significant effect on Investment Decisions (Y). Each 1-unit increase in Financial Literacy increases Investment Decisions by 0.289.

H_3: The Effect of Social Media (X3) on Investment Decisions (Y)

The t-value is 4.009 > 1.96 with a significance of 0.000 < 0.05 and a path coefficient of 0.189 > 0, so H_3 is accepted. Social Media (X3) has a positive and significant effect on Investment Decisions (Y). Every 1 unit increase in Social Media increases Investment Decisions by 0.189.

H_4: The Effect of Financial Planning (M) on Investment Decisions (Y)

The t-value is 2.574 > 1.96 with a significance of 0.010 < 0.05 and a path coefficient of 0.162 > 0, so H_4 is accepted. Financial Planning (M) has a positive and significant effect on Investment Decisions (Y). Each 1-unit increase in Financial Planning increases Investment Decisions by 0.162.

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H_5: Mediation of Financial Planning (M) on the Effect of Income (X1) on Investment Decisions (Y)

The t-value is 2.000 > 1.96 with a significance of 0.046 < 0.05 and a path coefficient of 0.034 > 0, so H_5 is accepted. al Planning (M) positively and significantly mediates the effect of Income on Investment Decisions, with an increase of 0.034 for every 1 unit increase in the mediating effect.

H_6: Mediation of Financial Planning (M) on the Effect of Financial Literacy (X2) on Investment Decisions (Y)

The calculated t-value is 2.678 > 1.96 with a significance of 0.008 < 0.05 and a path coefficient of 0.080 > 0, so H_6 is accepted. Financial Planning (M) positively and significantly mediates the effect of Financial Literacy on Investment Decisions, with an increase of 0.080.

H_7: Mediation of Financial Planning (M) on the Influence of Social Media (X3) on Investment Decisions (Y)

The t-value is 2.215 > 1.96 with a significance of 0.027 < 0.05 and a path coefficient of 0.046 > 0, so H_7 is accepted. Financial Planning (M) mediates positively and significantly the effect of Social Media on Investment Decisions, with an increase of 0.046.

DISCUSSION

Income Influences Investment Decisions of Generation Z Workers in Jakarta: Based on the test results, Income (X1) has a positive and significant effect on Investment Decisions (Y), with a t-value of 6.153 > 1.96, significance of 0.000 < 0.05, and a path coefficient of 0.355. These results indicate that every one-unit increase in income will increase investment decisions by 0.355. This finding indicates that the higher the income level of Generation Z workers, the greater their ability to allocate funds for investment activities. Higher income provides more financial flexibility after consumption needs are met, so individuals have greater capacity to bear investment risks.

As the largest generation in Indonesia with a population of 74.93 million or 27.94% of the total population, Generation Z is in a productive phase with significant potential for income growth (Putranto & Wati, 2025). Investment decisions themselves are capital investments to obtain future profits (Lina Ani Safitri, 2021). The results of this study are in line with the findings (Putranto & Wati, 2025) which state that income has a significant positive effect on Generation Z's investment decisions. Thus, income is a fundamental factor in encouraging Generation Z workers in Jakarta to participate in investment.

Financial Literacy Influences Investment Decisions of Generation Z Workers in Jakarta: The results show that Financial Literacy (X2) has a positive and significant effect on Investment Decisions (Y), with a t-value of 2.536 > 1.96, significance of 0.012 < 0.05, and a path coefficient of 0.289. This means that an increase in financial literacy will improve the quality of investment decisions. Financial literacy helps individuals understand basic financial concepts such as income management, inflation, risk, return, and portfolio diversification, so that investment decisions are not made speculatively. The purpose of investing is to protect and increase the value of money in the future (Nurhayati, 2023). Individuals with good financial literacy tend to be able to evaluate investment alternatives rationally and consider risks carefully. These results are consistent with research (Nurhayati, 2023) proving that financial literacy has a significant effect on the investment decisions of Gen Z in DKI Jakarta. Thus, financial literacy serves as a cognitive foundation in shaping focused and long-term investment decisions.

Social Media Influences Investment Decisions of Generation Z Workers in Jakarta: Social media (X3) has been proven to have a positive and significant effect on investment decisions (Y), with a t-value of 4.009 > 1.96, significance of 0.000 < 0.05, and a path coefficient of 0.189. These results indicate that exposure to investment information through social media can increase Gen Z's tendency to make investment decisions. As digital natives, Generation Z utilizes social media as a means of communication and as a source of financial and investment information. Social media provides quick access to investment education, instrument recommendations, and other investors' experiences. However, exposure to information also has the potential to increase the risk of misinformation and fraud (Dian Handy Permana, 2022). Research by Sani & Santi Paramita (2024b) states that social media facilitates the dissemination of information to investors, and research by Kadek Dellavia Vinata Prabandari (2026) finds that social media has a positive contribution to investment decisions. Therefore, social media plays a significant external role in influencing Generation Z's investment decisions.

Financial Planning Influences Investment Decisions of Generation Z Workers in Jakarta: Financial Planning (M) has a positive and significant effect on Investment Decisions (Y), with a t-value of 2.574 > 1.96, significance of 0.010 < 0.05, and a path coefficient of 0.162. These results indicate that the better the financial planning, the higher the quality of investment decisions. Financial planning helps individuals set financial goals, develop fund allocation strategies, and determine risk profiles systematically before investing. According to Hafidh & Angelica Cindiyasari (2024), financial planning includes evaluating financial conditions, analyzing situations, setting goals, implementing plans, and conducting periodic evaluations. With structured planning, investment decisions become more focused and less impulsive. These results are in line with (Aulia Pradipta, 2024b), who found that financial planning has a significant positive effect on Generation Z's investment decisions.

Financial Planning Mediates the Influence of Income on Investment Decisions: The results of the study show that Financial Planning mediates the influence of Income on Investment Decisions (t count 2.000 > 1.96; significance 0.046 < 0.05; coefficient 0.034). This means that an increase in income does not automatically increase investment decisions without going through the financial planning process. High income will be more effective in encouraging investment if it is managed systematically through financial planning. This finding is in line with (Royani & Ayuba, 2026), which states that financial management mediates the relationship between income and investment decisions. In line with Generation Z, the higher the income earned, the greater the opportunity to develop sound financial planning, which ultimately improves the quality of investment decisions.

Financial Planning Mediates the Influence of Financial Literacy on Investment Decisions: Financial planning also mediates the influence of financial literacy on investment decisions (t-value 2.678 > 1.96; significance 0.008 < 0.05; coefficient 0.080). These results indicate that financial literacy will be more effective in improving investment decisions when accompanied by good financial planning. Literacy provides understanding, while planning translates that understanding into concrete actions. These results are consistent with research (Royani & Ayuba, 2026) which confirms that financial planning is a mediating mechanism between financial literacy and investment decisions. Thus, financial literacy contributes to rational investment decisions if individuals are able to develop structured financial plans and are disciplined in their implementation.

Financial Planning Mediates the Influence of Social Media on Investment Decisions

Financial planning mediates the influence of social media on investment decisions (t count 2.215 > 1.96; significance 0.027 < 0.05; coefficient 0.046). These results indicate that information obtained from social media does not directly influence investment decisions but is first processed through systematic financial planning. The digital economic transformation strengthens the role of social media in educating the younger generation about investment (Wayan et al., 2025). However, without proper financial planning, this information has the potential to lead to impulsive decisions. Empirical support from (Lia Rizqy Wulantari, 2024) also confirms a strong relationship between literacy, planning, and the financial behavior of Generation Z. Therefore, financial planning functions as a filtering mechanism in to utilize social media information wisely to produce appropriate investment decisions.

CONCLUSION

Based on the research results, it can be concluded that income, financial literacy, and social media directly have a positive and significant effect on the investment decisions of Generation Z workers in Jakarta, and financial planning has also been proven to have a positive and significant effect on investment decisions. Furthermore, financial planning is able to positively and significantly mediate the relationship between income, financial literacy, and social media on investment decisions, indicating that the better the financial planning, the stronger the influence of these factors in driving investment decision-making.

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The implications of these findings emphasize the importance of improving financial literacy and the habit of financial planning from an early age, as well as optimizing the use of social media as a means of investment education for Generation Z. However, this study has limitations in terms of its geographical scope, which only focuses on Jakarta, the use of an online questionnaire survey method that has the potential to cause perception bias, and the limited variables studied. Therefore, further research is recommended to expand the research area, add other variables such as psychological or financial behavior factors, and use a mixed methods approach to obtain more comprehensive and in-depth results.

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