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The Influence of Income on Generation Z Investment Decisions in South Jakarta

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ABSTRACT

This study examines the influence of personal income on investment decisions among Generation Z in South Jakarta, situating the analysis within a growing body of global research that links financial capacity to the investment behavior of young people. While prior work has documented that higher income levels increase risk-taking and portfolio diversification among young adults, little is known about this phenomenon in the Indonesian context. Guided by behavioral finance theory and the Theory of Planned Behavior, we adopt a quantitative design with 101 purposively selected respondents, collecting data through an online questionnaire. Simple linear regression, Spearman correlation, and ordinal regression (SPSS v30) reveal a strong positive relationship between monthly income and investment decision intensity ($r = 0.669$, $p < 0.001$), with income accounting for 98.7% of the explained variance in the ordinal model.

ARTICLE INFORMATION

Keywords:
generation z; income; investment; south jakarta

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INTRODUCTION

Income is a significant factor influencing individual financial behavior, particularly among younger generations new to the workforce. Global research findings indicate that limited income is a significant barrier to investment decision-making, particularly among Gen Z, a digital generation with high exposure to digital platforms and social media. According to a report by the CFA Institute (Mottola & Munson, 2023), although Gen Z is highly exposed to technology and digital investment platforms, limited income is a significant barrier to starting to invest. This aligns with a study conducted in Surabaya by Technium Science (Simbolon et al., 2023), which showed a positive and significant relationship between income and investment decisions among Gen Z, finding that the higher the income, the greater the propensity of Gen Z to invest.

According to Mastura et al. (2024), income refers to the amount of money a person receives in return for their efforts and work. Indonesia is currently in the era of the "demographic bonus," where, according to the Central Statistics Agency, in 2024, around 69.58% or 196,558,195 people of the total population of 282,477,584 are of productive age, referring to the age group between 15 and 64 years. According to Kupperschmidt in Pujiono (2021), a generation refers to a group of individuals who share the same birth year, age, and geographic location. Additionally, they undergo significant life events and experiences during their growth stages, which shape and influence their collective views and attitudes. From this concept, the generation theory emerged, which categorizes people based on these similarities into distinct generation groups.

According to Mardianto (2023), Generation Z, born between 1995 and 2010, with ages ranging from 18 to 23 years, is currently the largest generation group in Indonesia, comprising 27.94% of the total population, or approximately 74.93 million people. This age group is known as Generation Z and the Millennial generation. Generation Z is one of the newest generations in the world, with estimates suggesting they began entering the workforce around 2015. This generation grew up amidst rapid technological advances, with the internet and digital devices becoming an inseparable part of their

daily activities (Akbar et al., 2022). The existence of this technology influences the way they communicate, learn, and work. One of the prominent characteristics of Generation Z is their proficiency in using technology, which is often referred to as "tech savvy" (Melati & Rokhmania, 2024). This is because they grew up in an era of very rapid technological development. This ability not only affects daily life but also plays a significant role in their financial activities, including investment decisions. This is because the higher a person's income, the easier it is for them to fulfill their desires, which allows individuals to make informed investment decisions based on their income level.

Income not only functions as a direct factor influencing investment decisions but is also linked to financial literacy (Pangestu & Karnadi, 2020). International research by EA Publisher (Ratnawati, 2024) revealed that financial literacy mediates the influence of income on investment decisions among younger generations. Generation Z, with higher incomes and adequate financial literacy, will be more confident in making profitable investment decisions, while those with limited incomes tend to have lower investment potential, despite being exposed to extensive financial information. Conditions in Indonesia show a similar picture. Although Generation Z in Indonesia has a relatively high propensity to consume, their investment potential remains low due to their limited income (Bank of America, 2025). With limited income, Generation Z prioritizes meeting daily consumption needs, thereby limiting the funds available for investment.

South Jakarta, as the economic center of DKI Jakarta, with a minimum wage of around IDR 4.9 million per month, offers relatively high income conditions for Generation Z (born between 1997 and 2012). In this context, several international studies have demonstrated that income plays a significant role in shaping the investment decisions of the younger generation; however, its influence cannot be separated from other factors, such as financial literacy, psychology, and social environment. Spohn (2024) noted that for individuals with irregular incomes, income uncertainty can actually increase financial resilience, but it also delays long-term investment. From a psychological perspective, Hong Shan et al. (2023) show that self-efficacy and self-control, influenced by financial literacy and income stability, improve Generation Z's ability to plan investments. Darwish (2025) confirms these findings by demonstrating that high self-confidence enhances the positive relationship between financial knowledge and investment decisions, particularly among middle- to upper-income individuals.

In addition to economic and psychological factors, Putra et al. (2025) highlight the strong role of social influences, including family, friends, and social media, in shaping Generation Z's investment decisions, especially when income is unstable. Thus, within the framework of behavioral finance theory, income in South Jakarta cannot be viewed in isolation; income interacts with financial literacy, self-confidence, self-control, and social pressure to determine Generation Z's investment patterns in areas with high minimum wages (Susanto et al., 2025).

Studies in Indonesia also show that Gen Z tends to acquire financial literacy through digital platforms and social media, rather than formal sources such as conventional education, which were more common among previous generations (Ratnawati, 2024). Gen Z, with relatively high incomes and access to digital financial literacy, is more aggressive in taking investment risks through instruments such as crypto assets and trending stocks. Conversely, those with lower incomes and limited literacy tend to be more cautious or even reluctant to invest (Titko et al., 2020). The phenomenon in South Jakarta, an urban area with a high minimum wage and a large concentration of Gen Z, provides an empirical basis for examining the influence of income on this generation's investment decisions more specifically. Studies in urban areas in Indonesia have documented significant income variation across occupational sectors and regions, with higher incomes in the formal sector and the technology industry enabling greater investment opportunities for Gen Z (Yohanes et al., 2025). Within the framework of behavioral finance theory, income is a key determinant of individual economic decisions, translating into the ability and propensity to save and

invest (Tubastuvi et al., 2024). Adequate income increases financial capacity and confidence to take investment risks. However, good financial literacy is also necessary as a mediator to optimize income and make rational, informed investment decisions.

METHOD

The conceptual framework of this study assumes that income significantly influences investment decision-making among Generation Z. The theoretical foundation used is behavioral finance theory, which emphasizes that psychological, social, and economic factors shape individual financial decisions (Barberis & Thaler, 2002). In this context, income serves not only as a financial driver but also as a determinant of risk tolerance and investment capacity. Income is positioned as the independent variable, while investment decisions are the dependent variable. The central hypothesis is a direct positive relationship between increased income and increased investment activity. This relationship is tested using a simple linear regression model to measure the influence and significance of income on investment behavior among urban youth.

This study employed a non-probability, purposive sampling technique, selecting respondents who met specific criteria aligned with the study's objectives. However, unlike limited sample sizes that lack adequate justification, this study employed a minimum sample size of 100 respondents, drawn based on the Slovin formula with a 5% significance level from a defined population of 580,406 people in South Jakarta. This number was chosen to ensure adequate representativeness and statistical power in testing the hypotheses, given the substantial and heterogeneous population.

Data were collected through an online questionnaire specifically designed to measure variables related to income and investment decisions. This questionnaire instrument was compiled with reference to reliable literature and tested for validity and reliability using confirmatory factor analysis (construct validity) and Cronbach's Alpha reliability tests in IBM SPSS Statistics 30. The questionnaire includes questions that explicitly address indicators such as monthly income, types and frequency of investment decisions made, and attitudes and perceptions toward investment risk. This questionnaire is included as an appendix to ensure transparency and facilitate the replication of research.

Prior to hypothesis testing, the collected data underwent validity and reliability checks to ensure the consistency of the measurement instruments. Descriptive statistics were used to describe the respondent profile and the distribution of variables. Simple linear regression analysis was employed to evaluate the impact of income variables on investment decisions, with regression coefficients interpreted and significance tested using a t-test. The significance level (α) used was 0.10, as is common in financial behavior studies involving developing populations.

Respondents were legal residents of South Jakarta, as evidenced by their possession of an ID Card for the region. The 20-28 age group was selected to represent Generation Z, who are entering financial maturity and typically making initial investment decisions. Gender-balanced selection was employed to accommodate variations in investment behavior among different genders. Furthermore, a minimum of three months of work experience in any sector was required to ensure stable income and more rational and realistic investment decisions. Respondents were also required to have made at least one investment decision in tangible assets (such as gold or land) or financial assets (such as stocks, bonds, or mutual funds), ensuring that the data reflects actual investment behavior rather than merely hypothetical intentions.

RESULTS AND DISCUSSION

According to Rindiasari et al. (2021), validity is a method to ensure that the questionnaire used is truly effective in measuring the variables being studied. Validity test in this study using the SPSS

Version 30 program. Questions are said to be valid if the R count is greater than the R table. The respondents in this study numbered 32, resulting in a correlation coefficient of 0.2960. Figure 1 displays the results of the validity test.

Correlations

		P01	P02	P03	P04	P05	P06	P07	P08	P09	P10	P11	P12	P13	TOTAL
P01	Pearson Correlation	1	.638**	.405*	.656**	.243	.226	.579**	.470**	.453**	.469**	.362*	.221	.071	.568**
	Sig. (2-tailed)		<,001	.022	<,001	.180	.213	<,001	.007	.009	.007	.042	.224	.701	<,001
	N	32	32	32	32	32	32	32	32	32	32	32	32	32	32
P02	Pearson Correlation	.638**	1	.549**	.683**	.279	.443*	.596**	.553**	.633**	.495**	.569**	.138	.236	.677**
	Sig. (2-tailed)	<,001		.001	<,001	.122	.011	<,001	.001	<,001	.004	<,001	.450	.193	<,001
	N	32	32	32	32	32	32	32	32	32	32	32	32	32	32
P03	Pearson Correlation	.405*	.549**	1	.760**	.765**	.445*	.550**	.476**	.573**	.670**	.469**	.457**	.385*	.787**
	Sig. (2-tailed)	.022	.001		<,001	<,001	.011	.001	.006	<,001	<,001	.007	.009	.029	<,001
	N	32	32	32	32	32	32	32	32	32	32	32	32	32	32
P04	Pearson Correlation	.656**	.683**	.760**	1	.484**	.566**	.671**	.465**	.529**	.660**	.605**	.476**	.383*	.806**
	Sig. (2-tailed)	<,001	<,001	<,001		.005	<,001	<,001	.007	.002	<,001	<,001	.006	.030	<,001
	N	32	32	32	32	32	32	32	32	32	32	32	32	32	32
P05	Pearson Correlation	.243	.279	.765**	.484**	1	.620**	.560**	.577**	.679**	.715**	.470**	.509**	.412*	.782**
	Sig. (2-tailed)	.180	.122	<,001	.005		<,001	<,001	<,001	<,001	<,001	.007	.003	.019	<,001
	N	32	32	32	32	32	32	32	32	32	32	32	32	32	32
P06	Pearson Correlation	.226	.443*	.445*	.566**	.620**	1	.706**	.558**	.657**	.621**	.664**	.313	.404*	.746**
	Sig. (2-tailed)	.213	.011	.011	<,001	<,001		<,001	<,001	<,001	<,001	<,001	.081	.022	<,001
	N	32	32	32	32	32	32	32	32	32	32	32	32	32	32
P07	Pearson Correlation	.579**	.596**	.550**	.671**	.560**	.706**	1	.762**	.539**	.722**	.664**	.387*	.280	.821**
	Sig. (2-tailed)	<,001	<,001	.001	<,001	<,001	<,001		<,001	.001	<,001	<,001	.029	.121	<,001
	N	32	32	32	32	32	32	32	32	32	32	32	32	32	32
P08	Pearson Correlation	.470**	.553**	.476**	.465**	.577**	.558**	.762**	1	.740**	.579**	.512**	.413*	.278	.766**
	Sig. (2-tailed)	.007	.001	.006	.007	<,001	<,001	<,001		<,001	<,001	.003	.019	.124	<,001
	N	32	32	32	32	32	32	32	32	32	32	32	32	32	32
P09	Pearson Correlation	.453**	.633**	.573**	.529**	.679**	.657**	.539**	.740**	1	.580**	.620**	.347	.377*	.797**
	Sig. (2-tailed)	.009	<,001	<,001	.002	<,001	<,001	.001	<,001		<,001	<,001	.051	.033	<,001
	N	32	32	32	32	32	32	32	32	32	32	32	32	32	32
P10	Pearson Correlation	.469**	.495**	.670**	.660**	.715**	.621**	.722**	.579**	.580**	1	.634**	.534**	.521**	.856**
	Sig. (2-tailed)	.007	.004	<,001	<,001	<,001	<,001	<,001	<,001	<,001		<,001	.002	.002	<,001
	N	32	32	32	32	32	32	32	32	32	32	32	32	32	32
P11	Pearson Correlation	.362*	.569**	.469**	.605**	.470**	.664**	.664**	.512**	.620**	.634**	1	.425*	.511**	.769**
	Sig. (2-tailed)	.042	<,001	.007	<,001	.007	<,001	<,001	.003	<,001	<,001		.015	.003	<,001
	N	32	32	32	32	32	32	32	32	32	32	32	32	32	32
P12	Pearson Correlation	.221	.138	.457**	.476**	.509**	.313	.387*	.413*	.347	.534**	.425*	1	.748**	.645**
	Sig. (2-tailed)	.224	.450	.009	.006	.003	.081	.029	.019	.051	.002	.015		<,001	<,001
	N	32	32	32	32	32	32	32	32	32	32	32	32	32	32
P13	Pearson Correlation	.071	.236	.385*	.383*	.412*	.404*	.280	.278	.377*	.521**	.511**	.748**	1	.607**
	Sig. (2-tailed)	.701	.193	.029	.030	.019	.022	.121	.124	.033	.002	.003	<,001		<,001
	N	32	32	32	32	32	32	32	32	32	32	32	32	32	32
TOTAL	Pearson Correlation	.568**	.677**	.787**	.806**	.782**	.746**	.821**	.766**	.797**	.856**	.769**	.645**	.607**	1
	Sig. (2-tailed)	<,001	<,001	<,001	<,001	<,001	<,001	<,001	<,001	<,001	<,001	<,001	<,001	<,001	
	N	32	32	32	32	32	32	32	32	32	32	32	32	32	32

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

Figure 1. Validity Test for Income (Source: Research Data, 2025)

Figure 1 illustrates that all questions (P01–P13) exhibit a positive and significant correlation with the total score. This means that each question item makes a valid contribution to measuring the desired construct in this case, specifically the income aspect. Item validity is tested by correlating the score of each item with the total score, then observing the Pearson coefficient value (r) and its significance level (Sig.). If the r-value is greater than the table r-value and the significance value (p-value) is less than 0.05, then the item is declared valid (Sugiarta et al., 2023). All items meet these criteria, so the instrument can be declared feasible and valid.

Correlations

		ID01	ID02	ID03	ID04	ID07	ID05	ID06	ID08	ID09	ID10	ID11	ID12	ID13	ID14	ID15	ID16	ID17	ID18	TOTAL
ID01	Pearson Correlation	1	.461**	.463**	.406*	.472**	.167	.334	.469**	.199	.453**	.575**	.392*	.096	.332	.437*	.453**	.433*	.421*	.680**
	Sig. (2-tailed)		.008	.008	.021	.006	.361	.062	.007	.275	.009	<,001	.026	.600	.064	.012	.009	.013	.017	<,001
	N	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32
ID02	Pearson Correlation	.461**	1	.366*	.468**	.346	-.009	.136	.350*	.148	.565**	.311	.482**	.373*	.489**	.434*	.429*	.538**	.465**	.640**
	Sig. (2-tailed)	.008		.039	.007	.053	.962	.458	.049	.419	<,001	.083	.005	.035	.005	.013	.014	.001	.007	<,001
	N	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32
ID03	Pearson Correlation	.463**	.366*	1	.540**	.227	.360*	.303	.519**	-.020	.345	.474**	.566**	.047	.325	.528**	.495**	.348	.259	.651**
	Sig. (2-tailed)	.008	.039		.001	.211	.043	.092	.002	.913	.053	.006	<,001	.799	.070	.002	.004	.051	.153	<,001
	N	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32
ID04	Pearson Correlation	.406*	.468**	.540**	1	.069	.223	.080	.313	.387*	.471**	.286	.399*	.096	.482**	.700**	.654**	.561**	.526**	.640**
	Sig. (2-tailed)	.021	.007	.001		.707	.221	.665	.081	.029	.007	.112	.024	.602	.005	<,001	<,001	<,001	.002	<,001
	N	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32
ID07	Pearson Correlation	.472**	.346	.227	.069	1	.082	.330	.151	.142	.495**	.333	.516**	.415*	.327	.302	.337	.290	.466**	.585**
	Sig. (2-tailed)	.006	.053	.211	.707		.656	.065	.408	.437	.004	.063	.002	.018	.068	.093	.059	.108	.007	<,001
	N	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32
ID05	Pearson Correlation	.167	-.009	.360*	.223	.082	1	.568**	.187	.284	.384*	.305	.204	-.041	.251	.289	.411*	.272	.286	.499**
	Sig. (2-tailed)	.361	.962	.043	.221	.656		<,001	.305	.115	.030	.089	.263	.824	.167	.109	.019	.132	.113	.004
	N	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32
ID06	Pearson Correlation	.334	.136	.303	.080	.330	.568**	1	.373*	.164	.447*	.355*	.459**	.293	.140	.117	.348	.288	.110	.589**
	Sig. (2-tailed)	.062	.458	.092	.665	.065	<,001		.035	.370	.010	.046	.008	.103	.444	.525	.051	.110	.548	<,001
	N	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32
ID08	Pearson Correlation	.469**	.350*	.519**	.313	.151	.187	.373*	1	.007	.439*	.275	.514**	.037	.015	.319	.098	.109	.091	.517**
	Sig. (2-tailed)	.007	.049	.002	.081	.408	.305	.035		.971	.012	.128	.003	.839	.934	.075	.595	.553	.622	.002
	N	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32
ID09	Pearson Correlation	.199	.148	-.020	.387*	.142	.284	.164	.007	1	.367*	.297	.021	.197	.343	.160	.265	.303	.497**	.398*
	Sig. (2-tailed)	.275	.419	.913	.029	.437	.115	.370	.971		.039	.099	.910	.279	.055	.381	.143	.091	.004	.024
	N	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32
ID10	Pearson Correlation	.453**	.565**	.345	.471**	.495**	.384*	.447*	.439*	.367*	1	.504**	.586**	.421*	.428*	.437*	.431*	.574**	.525**	.810**
	Sig. (2-tailed)	.009	<,001	.053	.007	.004	.030	.010	.012	.039		.003	<,001	.016	.015	.012	.014	<,001	.002	<,001
	N	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32
ID11	Pearson Correlation	.575**	.311	.474**	.286	.333	.305	.355*	.275	.297	.504**	1	.361*	.390*	.331	.176	.315	.331	.341	.649**
	Sig. (2-tailed)	<,001	.083	.006	.112	.063	.089	.046	.128	.099	.003		.042	.027	.064	.335	.079	.064	.057	<,001
	N	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32
ID12	Pearson Correlation	.392*	.482**	.566**	.399*	.516**	.204	.459**	.514**	.021	.586**	.361*	1	.140	.170	.327	.366*	.370*	.229	.670**
	Sig. (2-tailed)	.026	.005	<,001	.024	.002	.263	.008	.003	.910	<,001	.042		.446	.351	.067	.040	.037	.207	<,001
	N	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32
ID13	Pearson Correlation	.096	.373*	.047	.096	.415*	-.041	.293	.037	.197	.421*	.390*	.140	1	.329	-.032	.207	.157	.359*	.419*
	Sig. (2-tailed)	.600	.035	.799	.602	.018	.824	.103	.839	.279	.016	.027	.446		.066	.863	.255	.391	.044	.017
	N	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32
ID14	Pearson Correlation	.332	.489**	.325	.482**	.327	.251	.140	.015	.343	.428*	.331	.170	.329	1	.328	.608**	.462**	.487**	.577**
	Sig. (2-tailed)	.064	.005	.070	.005	.068	.167	.444	.934	.055	.015	.064	.351	.066		.066	<,001	.008	.005	<,001
	N	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32
ID15	Pearson Correlation	.437*	.434*	.528**	.700**	.302	.289	.117	.319	.160	.437*	.176	.327	-.032	.328	1	.718**	.651**	.596**	.636**
	Sig. (2-tailed)	.012	.013	.002	<,001	.093	.109	.525	.075	.381	.012	.335	.067	.863	.066		<,001	<,001	<,001	<,001
	N	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32
ID16	Pearson Correlation	.453**	.429*	.495**	.654**	.337	.411*	.348	.098	.265	.431*	.315	.366*	.207	.608**	.718**	1	.741**	.631**	.730**
	Sig. (2-tailed)	.009	.014	.004	<,001	.059	.019	.051	.595	.143	.014	.079	.040	.255	<,001	<,001		<,001	<,001	<,001
	N	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32
ID17	Pearson Correlation	.433*	.538**	.348	.561**	.290	.272	.288	.109	.303	.574**	.331	.370*	.157	.462**	.651**	.741**	1	.547**	.682**
	Sig. (2-tailed)	.013	.001	.051	<,001	.108	.132	.110	.553	.091	<,001	.064	.037	.391	.008	<,001	<,001		.001	<,001
	N	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32
ID18	Pearson Correlation	.421*	.465**	.259	.526**	.466**	.286	.110	.091	.497**	.525**	.341	.229	.359*	.487**	.596**	.631**	.547**	1	.666**
	Sig. (2-tailed)	.017	.007	.153	.002	.007	.113	.548	.622	.004	.002	.057	.207	.044	.005	<,001	<,001	.001		<,001
	N	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32
TOTAL	Pearson Correlation	.680**	.640**	.651**	.640**	.585**	.499**	.589**	.517**	.398*	.810**	.649**	.670**	.419*	.577**	.636**	.730**	.682**	.666**	1
	Sig. (2-tailed)	<,001	<,001	<,001	<,001	<,001	.004	<,001	.002	.024	<,001	<,001	<,001	.017	<,001	<,001	<,001	<,001	<,001	
	N	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

Figure 2. Validity Test for Investment Decisions (Source: Research Data, 2025)

Figure 2 shows that all items (ID01–ID18) have a positive and significant correlation with the total score, indicating that each question item is valid in measuring the investment decision construct. The Pearson correlation (r) values between the items and the total score are generally above 0.30 and have a significance level (p-value) of less than 0.05, which is the standard criterion for instrument validity according to Sugiyono (2013). This high and significant correlation indicates that each item contributes well to representing aspects of investment decisions, making this instrument suitable for use in research. The Pearson correlation method, used to test construct validity, is widely applied in social and economic research due to its ability to measure linear relationships between variables (Garcia et al., 2011). Thus, the tested investment decision instrument demonstrates strong construct validity, in accordance with the principles suggested by Hair (2011) on the validity and reliability of research instruments. According to Puspasari and Puspita (2022), reliability testing is used to determine whether the questionnaire used in the study can be considered to have good consistency. A reliability test can be considered reliable if the Cronbach's Alpha value is greater than 0.60. Table 1 presents the results of the reliability test.

Table 1 . Reliability Test Results of Investment Decisions

Reliability Statistics	
Cronbach's Alpha	**N of Items**
.902	18

The results of the investment decision variable reliability test, based on Table 1, show a Cronbach's Alpha value of 0.902 for 18 items. This value is well above the minimum threshold of 0.60, which, according to Puspasari and Puspita (2022), indicates that the instrument can be considered highly consistent and reliable in measuring investment decision variables. Generally, a Cronbach's Alpha ranging from 0.80 to 0.90 or higher is considered high to very high reliability, indicating strong internal consistency among instrument items, according to widely cited literature in social and psychological research.

Table 2. Reliability Test Results of Income

Reliability Statistics	
Cronbach's Alpha	**N of Items**
.926	12

The results of the reliability test on the income variable yielded a Cronbach's Alpha value of 0.926, based on a total of 12 items. This value is far above the minimum required limit of 0.60, indicating that the measurement instrument for the income variable is considered very reliable or very internally consistent. According to the standard interpretation of Cronbach's Alpha, a value above 0.90 is categorized as very good (or very high) reliability, indicating that the questions in the instrument are highly consistent in measuring the same construct (Tavakol & Dennick, 2011).

Table 3. Reliability Test

Variable	Alpha Cronbach	Minimal	Decision
Investment Decisions	0,902	0,60	Reliabel
Income	0,926	0,60	Reliabel

In general, Cronbach's Alpha is a measure of internal consistency used to assess how well the items in a research instrument are interrelated and measure the same concept. High values indicate that respondents provide consistent answers between items. Alpha values above 0.70 are considered adequate for reliability, while values above 0.90 indicate very high or even near-perfect reliability. The normality test aims to determine whether the residual variables in the regression model are normally distributed. The results can be considered normal if the significance level is greater than 0.05. Table 4 presents the results obtained after the data normality test was carried out using the Kolmogorov-Smirnov test. Dahlan in Permana and Ikasari (2023) state that the Kolmogorov-Smirnov test is more suitable for samples of 50 or more. The Kolmogorov-Smirnov test is typically used to determine whether a sample comes from a population with a specific distribution.

Tabel 4. Kolmogorov-Smirnov Test

		Unstandardized Residual
N		101
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	4.81925278

Most Extreme Differences	Absolute			.122
	Positive			.097
	Negative			-.122
Test Statistic				.122
Asymp. Sig. (2-tailed)[c]				<,001
Monte Carlo Sig. (2-tailed)[d]	Sig.			<,001
	99% Confidence Interval		Lower Bound	.000
			Upper Bound	.002

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.
d. Lilliefors' method based on 10000 Monte Carlo samples with starting seed 299883525.

According to Table 4, the Asymptotic Significance value (2-tailed) is 0.001. It indicates that the Asymp Sign value is <0.05, which is the standard significance of normality. Therefore, we employed nonparametric statistical tests, which are appropriate for the characteristics of the data, namely the Spearman correlation test and ordinal regression, because the Spearman correlation test is used to measure the correlation between two ordinal variables (Satisfaction Level and ratio/income). To determine the relationship between income and investment decisions among Generation Z in South Jakarta, the Spearman correlation test was used. This test was chosen because the results of the normality test indicated that the variables were not normally distributed. Spearman correlation is a nonparametric technique suitable for analyzing the relationship between two variables when the assumption of normal distribution is not met. In this study, hypotheses are proposed as the basis for statistical testing that aims to determine the relationship between income and investment decisions among Generation Z in South Jakarta. The null hypothesis (H0) is that there is no significant relationship between income and investment decisions among Generation Z in South Jakarta. Meanwhile, the alternative hypothesis (H1) is that there is a significant relationship between income and investment decisions among Generation Z in South Jakarta.

These findings align with global studies indicating that Generation Z has a distinct investment approach, shaped by technological factors, personal values, and economic conditions. For example, Philippas and Avdoulas (2020) found that financial literacy and economic resilience have a significant influence on the financial well-being of Generation Z students in Greece, who also experienced a prolonged economic crisis. Meanwhile, Gnanadeepan et al. (2024) compared how Generation Z tends to be more open to risk and innovation in investments, such as digital assets and fintech platforms, compared to previous generations. Thus, the analysis of the relationship between income and investment decisions in South Jakarta is not only locally relevant but also reflects global trends in the financial behavior of younger generations.

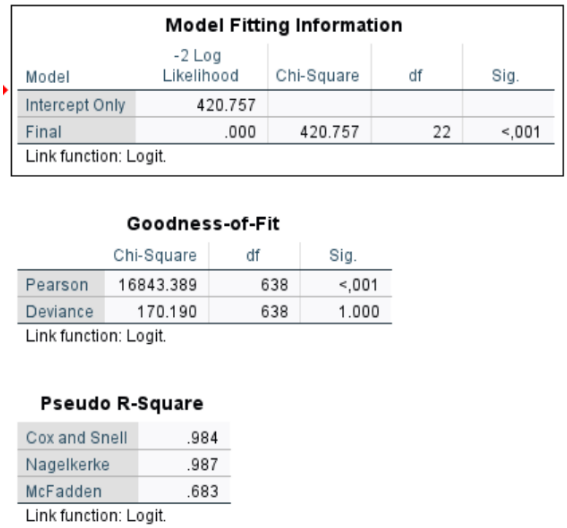
Table 5. Spearman Correlation Test

			X	**Y**
Spearman's rho	X	Correlation Coefficient	1.000	.669**
		Sig. (2-tailed)	.	<,001
		N	101	101
	Y	Correlation Coefficient	.669**	1.000
		Sig. (2-tailed)	<,001	.

	N	101	101

**. Correlation is significant at the 0.01 level (2-tailed).

The Spearman correlation test results indicate a positive and significant relationship between income and investment decisions, with a correlation coefficient of ρ = 0.669 and a significance value of p < 0.001. This means that the higher the income of Generation Z, the greater their tendency to make investment decisions. This aligns with behavioral financial theory, which states that the availability of funds or surplus income significantly influences an individual's ability and readiness to make investment decisions. The correlation coefficient of 0.669 indicates a strong and directional relationship, suggesting that income is a significant factor in driving investment behavior among Generation Z. Individuals with higher incomes tend to have a greater sense of financial security, which encourages them to explore investment instruments.



Model Fitting Information

Model	-2 Log Likelihood	Chi-Square	df	Sig.
Intercept Only	420.757			
Final	.000	420.757	22	<,001

Link function: Logit.

Goodness-of-Fit

	Chi-Square	df	Sig.
Pearson	16843.389	638	<,001
Deviance	170.190	638	1.000

Link function: Logit.

Pseudo R-Square

Cox and Snell	.984
Nagelkerke	.987
McFadden	.683

Link function: Logit.

Figure 3. Model Fitting Information

Based on the results of the Model Fitting Information test, a significance value of p < 0.001 was obtained, indicating that this ordinal regression model is statistically significant. A Deviance value of 1.000 indicates that the model fits the data. Furthermore, the Nagelkerke R-Square value of 0.987 indicates that 98.7% of the variation in investment decisions can be explained by income, indicating a powerful influence. These findings align with those from various global studies that employ ordinal regression to examine the impact of socioeconomic variables on investment decisions or other economic choices. For example, one study employed an ordinal regression model to analyze factors influencing millennials' investment decisions, finding a good fit and identifying that economic variables, such as income, were significant factors in shaping investment decisions (Larastiwi & Setiadi, 2024). Other studies have also applied ordinal regression to identify socioeconomic factors, with similar results for significant variables in both economic and social contexts. Therefore, the use of an ordinal regression model with high goodness-of-fit indicators and a high Nagelkerke coefficient of determination is highly appropriate for examining the relationship between income and investment decisions in the context of this study.

This study makes an important contribution to clarifying the role of income as a primary determinant of investment decisions among young people in Indonesia's urban context. These findings fill a gap in the local empirical literature and strengthen global evidence regarding the relationship between income and investment behavior among the digital generation. However, this

study also has limitations, one of which is the failure to include other variables such as financial literacy, psychological factors, and social factors that also have the potential to influence investment decisions. Therefore, further research with a more comprehensive model is needed.

For future research, it is recommended to include these additional variables and apply mixed methods to gain a deeper understanding of investment motivations and barriers among Gen Z. Furthermore, expanding the geographic scope of the study to suburban and rural areas could provide greater insight into the influence of income across various socioeconomic contexts. The use of a larger sample size and probability sampling techniques is also highly recommended to increase the representativeness and validity of the results, thus allowing generalization to the Gen Z population nationwide. Practically, the results of this study can provide a basis for financial institutions and policymakers to design investment programs tailored to the income capacity of Gen Z, thereby maximizing their investment potential. Therefore, this study provides a crucial foundation for developing inclusive financial policies and promoting investment literacy for future generations.

CONCLUSION

Based on analysis using the Spearman correlation test and ordinal regression, this study concludes that there is a positive and significant relationship between income and investment decisions among Generation Z in South Jakarta. The Spearman correlation coefficient of 0.669 indicates that the higher a person's income, the greater the tendency to make investment decisions. The ordinal regression results indicate a significant model ($p < 0.001$) and a good fit to the data (Sig. Deviation = 1.000), with a Nagelkerke R-Square value of 0.987. This means that income explains 98.7% of the variability in investment decisions. This confirms that income is a primary factor driving the investment behavior of Generation Z, especially those with initial financial stability. Therefore, this study provides a crucial foundation for developing inclusive financial policies and promoting investment literacy for future generations. For future research, it is recommended to include these additional variables and apply mixed methods to gain a deeper understanding of investment motivations and barriers among Gen Z.

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