ANALYSIS OF THE ENTHUSIASM ON STOCK INVESTMENT AMONG GENERATION Z IN BANDUNG CITY

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Abstract:

The development of technology in current digital era has made it easier for people to do stock investment anytime and anywhere through applications in their mobile phone. As one of the latest tech-literate generation, people who are categorized as Generation Z are expected to have an access to ample and incessant their knowledge including on stock investment. Unfortunately, this amenity doesn't directly proportional to the enthusiasm of Generation Z in Bandung City to do stock investment. Currently, the enthusiasm on stock investment is still relatively low among Generation Z in Bandung City. Therefore, this study aims to analyze several factors that might affect the enthusiasm in doing stock investment. Variables measured as factors affecting the results are financial literacy, risk tolerance, and stock return. In obtaining the data needed, the researcher used a quantitative approach by distributing questionnaires to 400 respondents in Bandung City. By using multiple linear regression analysis, the researcher found that financial literacy and risk tolerance, individually and simultaneously affect the enthusiasm on stock investment among Generation Z in Bandung City, while stock return is insignificant in this research.

Keywords:

Enthusiasm, Financial Literacy, Risk Tolerance, Stock Investment, Stock Return

Introduction

In recent times, technological developments have made all businesses have to adapt and take advantage of these technological advances in running their business (J. Lee et al., 2019). As a result, they require large venture capital to develop and expand their business. One of the most

popular strategies that can be used to increase businesses' capital is doing an initial public offering (IPO). It helps companies to get access to investment from the entire investing public to raise their capital. Indonesia is chosen in this study due to its position as one of the emerging markets. According to the Indonesia Stock Exchange (IDX), until the 30th of September 2020, there are 709 listing companies in Indonesia (6.48 percent of them are new listing companies in 2020). This large number of Indonesian listed companies is directly proportional to the growth of stock investment in Indonesia. IDX recorded that the number of capital market investors grew 22 percent to 3.02 million accounts as of July 2020, and 42 percent of them are stock investors.

The increase in the number of investors in Indonesia is also influenced by technological advances in this digital era. In the midst of this technological advancement, the stock investment can be done by anyone, anywhere, and anytime through applications in their mobile phone. As the supporting factor, in the past, investors relied on newspapers, stock brokers, financial analysts, and auditors to receive updated news and value-relevant information about a stock (Bartov et al., 2015). On the contrary, due to the explosion of the internet and technology advances, the internet has become a new way of retrieving information and it provides easier access for stock market information.

The total number of investors in Indonesia itself can be classified by the characteristics of the society. One of them is the population or can be called as a generation. Generation is defined as a group of individuals, living in the same life period, and being influenced by the same technologies and experiences (Mccrindle et al., 2018). According to the data from Badan Pusat Statistik (2017), Indonesia has an expansive pyramid population, which indicates that this country is highly populated with young-aged people, who will be a generation of the future. Generation Z, as a generation of the future and born between 1995 until 2010 (Daeid, 2008), has the internet and technology readiness level at the highest in their very young age, which makes the usage of the internet and technology as a part of their everyday life since the very beginning (Budac, 2015).

As the world's fourth most populous country, Indonesia has a lot of potentials that should be capitalized on in order to prepare a better future, especially for Generation Z and their participation on the stock market. It is supported by the data from Netser (2017) and Perlstein (2017) which believe that Generation Z is widely known as the next consumer powerhouse. Generation Z will hold nearly 40 percent of all consumer shopping power in 2020 as most businesses start trying to make sales to Generation Z customers.

However, they have not used these conveniences and their knowledge to be more enthusiastic in stock investment and start investing in stocks. IDX has published the demography of Indonesian investors. Table 1 below will describe the number of Indonesian investors and their total assets (amount invested) based on age range.

Table 1: Demography of Indonesian Investors (as December 2019)

Age Range	Number of Investors (persons)	Total Assets (IDR)
30 years old or less	1,106,576 (44.62%)	12.42 T
31-40 years old	606,112 (24.44%)	32.13 T
41 years old or more	767,312 (30.94%)	249.33 T

Source: Indonesia Stock Exchange (December 2019)

Based on Table 1, it can be seen that people aged 30 years old or below, including the Generation Z, dominated the total number of investors. However, the percentage of the number of investors didn't reflect the total invested amount. In other words, there were a lot of young investors, nevertheless, the total amount invested was very low compared to older investors.

Moreover, if another comparison with the Indonesian population demographic is carried out, the number of investors among Indonesian people, including Generation Z, is still relatively low. IDX stated that only 4.15% of Indonesian people have done the investment. Table 2 will show the data of the number of investors (according to IDX) and the estimated total population in Indonesia.

Table 2: Comparison Number of Investor and Total Indonesian Population

Age Range	Number of Investor	Indonesian Population	Percentage
30 years old or less	1,106,576	65,777,500	**1.68%**
31-40 years old	606,112	41,888,800	1.45%
40 years old or more	767,312	75,211,400	1.02%

Source: Ministry of National Development Planning (2019),

There is only an estimation of 1.68% of Indonesian people aged 30 or less (including Generation Z) that have done the investment. They may have the highest percentage, however, the result is very low and similar to other age groups. Although they are expected to have better knowledge about financial literacy through the internet and technology readiness level at the highest at their very young age, the enthusiasm in doing stock investment is still low. Some of the conveniences in doing stock investment have not been utilized by generation Z to do stock investment. Therefore, it is, vital that Generation Z have to start to consider their investments seriously to ensure that they will be financially settled.

In addition, as shown in the previous study, not all investors have tried to fully understand the companies they invest in. It is generally unprofitable for analysts and investors to spend much time analyzing all companies in the stock market, especially 'the small ones' (Brennan, 1995). Investors also are proven to have different time consuming on retrieving information related to investment. Men and women presented with the same information do not spend exactly the same time analyzing those information (K. Lee et al., 2013). Thus, there are some investors that may not enthusiastic in doing the investment. Findings of the study shows that majority of the investors are those who take decision considering the media coverage and friends recommendations as good source of information without doing independent analysis (Kadariya, 2012).

Therefore, this study will be focused on examining the analysis of the enthusiasm of stock investment. The population to be studied is generation Z, particularly in Bandung City, as the capital city of West Java province in Indonesia. It is interesting to investigate what factors actually influence people's enthusiasm to make stock investments, which will lead to actual action (do the investment) and fully understand the companies they invest in.

As by knowing so, those factors that the enthusiasm of stock investment can be taken as a concern to increase the current level of enthusiasm of stock investment in Indonesia, which will spur the stock investment journey in Indonesia as well. Begin with the smaller scope -

which is among generation Z as a generation that is familiar with the usage of technological-based instrument and have a better understanding of financial literacy, and in particular city - which is in Bandung City, to be specific, the study will then be conducted.

Literature Review

Investment
The term of investment usually refers to the act of allocating assets or funds by an individual or company for a certain period of time in order to obtain greater returns in the future. (Reilly, Frank K & Brown, 2012) stated that an investment is a current commitment of dollars for a period of time in order to derive future payments that will generate the investor for the time the funds are committed, the expected rate of inflation during this time period, and the uncertainty of the future payments. An individual, a government, a pension fund, or a corporation can all be considered as "investors.".

According to the International Centre for Settlement of Investment Disputes (ICSID), investment, as a legal definition based on a common explanation of the long-standing Salini test, must have these four elements: there is money and/or assets contributed, there is determined duration, involvement of component risk, and the host state will receive an economic development through the contribution given (Grabowski, 2014).

Personal Investment
Every individual requires money not only for day-to-day activities but also for investment purposes. Having an investment may be the correct explanation for an individual because it allows them to provide a better life for their prospects. (Dissanayake, 2012). Furthermore, there is a large population that has the best security for their future life, and by having the asset, they can obtain the defense so that they may exist without difficulty and with comfort. This is the right obsession for them to have if they want to live a simple life.

Stock Investment
Stock is one of the investment instruments offered in the capital market and act as securities that show ownership of a particular company. A capital market is a place where parties who have excess funds (investors) meet with parties who need funds (companies) by trading securities (Pajar & Pustikaningsih, 2017). The presence of the capital market has an important role for investors. They can distribute their excess funds to be invested so entrepreneurs can obtain additional capital funds to expand their business networks.

However, people could only purchase stocks from companies that have done the Initial Public Offering (IPO). IPO is one of the steps taken by the firm to improve the development of them. Firms decide to issue shares in order to get additional funds (capital) that will be used to grow their business, pay off debts, or even for marketing purposes. Firms opting to 'go public' were mostly confined by legal reasons to offer their shares only on the exchanges in their country of origin (Carnahan et al., 2010). However, globalization and integration of international capital markets have greatly expanded the choices available to firms seeking equity capital. Thus, this also gives impact for investors who can have various options to invest in.

Stock Investment in Indonesia

Stock investment in Indonesia has become quite popular lately. The Indonesia Stock Exchange (IDX) reports positive growth in the number of investors in the Indonesian capital market. As of September 2020, the number of investors according to the Single Investor Identification (SID) in the Indonesian capital market reached 3.27 million. If it is compared with achievements at the end of 2019, the number of investors increased by 31.9 percent. The total number of investors in 2019 itself was 2.48 million.

Return on Investment

The goal of investment is to generate income through the acquisition of an asset. In common perception, this income can be described as return on investment (ROI). There are two ways to get the return from stock investment: capital gain and dividend.

Capital Gain

The capital gain on the stock usually refers to the profits or loss from the sale of an assets (including stocks). This arises from changes in the value of the investment (Ross, n.d.). It results in capital gain when the selling price of an asset exceeds its purchase price. It is the difference between the selling price (higher) and cost price (lower) of the asset. However, capital loss occurs when the cost price is greater than the selling price.

Dividend

The term dividend usually refers to a distribution of earnings in form of cash. Public companies usually pay regular cash dividends, but sometimes firm will even pay an extra cash dividend (interim dividend). Paying a cash dividend reduces corporate cash and retained earnings (Ross, n.d.). Another type of dividend is paid in the form of stock, which called stock dividend. This is not a true dividend because the company did not make any cash payment (Ross, n.d.). Ross stated that stock dividend will increase the shares outstanding thus reducing the current value of the share. However, the majority of company prefer to pay cash dividends to their investors (Bondt & Thaler, 1994). The majority of financially secure and invulnerable companies pay dividends to their shareholders. However, high-growth companies typically reinvest all of their profits and rarely pay dividends in order to maintain their above-average growth (Ahmad, 2017).

Generation Z

This study uses generation Z as the object of research. Therefore, it is important to emphasize the definition of generation Z itself to avoid bias. Therefore, for the purpose of this study, the term of generations will follow the born-year labelling which said specifically that the Generation Z or Post-Millennial Generation is a generation that was born after Generation Y or Millennial (1981-1995) (Daeid, 2008). In other words, Generation Z can be classified as a generation of the future who was born between 1995 until 2010.

Financial Literacy

Several researchers have defined several definitions of financial literacy. It refers to an individual's ability to process financial information and make informed decisions about financial planning, wealth accumulation, pensions, and debt (Jureviciene & Jermakova, 2012). A financially literate person can be described as a competent financial decision maker and a person who can reach their financial well-being based on their knowledge. Previous study also

showed that financial literacy is a person's ability to understand and utilize financial concepts (Servon & Kaestner, 2008).

Financial Literacy towards Enthusiasm of Stock Investment

Several studies have discussed the role of financial literacy when someone have to decide their financial decision. Previous study revealed that the most common reason for people to avoid investing was a lack of financial knowledge (Jureviciene & Jermakova, 2012). The study also found that people who are financially literate and at least could distinguish the differences between mutual funds and stocks are more willing to take risks when making investment decisions.

Moreover, highly literate people tend to be more active in the stock market and have a better retirement planning for their future (Fedorova et al., 2015). However, it is important to note that, according to the data, in order to participate in the financial market, they must have at least an advanced level of financial literacy. This statement is also supported by other previous research which stated that individuals with higher knowledge of financial literacy will understand the time value of money's term and participate in formal financial markets and stock markets (Carnahan et al., 2010).

It has been proven that highly literate investors prefer and use different criteria when making an investment decision than low-literacy investors (Hassan Al-Tamimi & Anood Bin Kalli, 2009). Highly literate investors prefer to use financial publications, whereas low-literacy investors rely more on advice from family, friends, and stockbrokers. Earlier studies reported that financial literacy is one of the key aspects for investment decisions (R. Kiran, 2020). The general public typically has surplus income that is not used for domestic expenses. They must make decisions on how to invest the surplus money in various investment options in a rational manner. An empirical study in Karachi City also shows that financial literacy and accounting knowledge assist investors in reducing information asymmetry and allowing them to invest in risky instruments (Ahmad, 2017).

Risk Tolerance

In every investment, it will always be followed by a risk. It is one of essential factors that influence the investment decision of any investors (Sharma & Inclusion, 2014). In general, the greater return on investment that an investor may expect, the greater risk will be generated. It is defined as the maximum uncertainty that will be received when making personal financial decisions, or as the willingness to take risks on opportunities to achieve more profit (Dewanty & Isbanah, 2018). Specifically, investment risk is followed by other decisions as a function of four criteria: the possibility of large-scale loss, the actual return being less than the expected return, control rights, and knowledge perceived at the measure level (Olsen, 1997). Every individual has different toward risk. There are some individuals can bear or accept higher risk, while some of them cannot. This was determined by a thing called risk tolerance.

Risk Tolerance towards Enthusiasm of Stock Investment

Previous research has shown that risk tolerance is linked to the selection of investments with high risks. It is proven that a person's tolerance level for risk is positively able to predict the intention to invest in financial assets (Croy et al., 2010). Their research revealed that individuals with high levels of risk tolerance tend to prefer to invest in financial assets with high risks and refuse to invest in risk-free investments. In contrast, the research from Weber

and Hsee found that individuals with low levels of risk tolerance tended to look for ways that they could avoid risk (Weber et al., 1998).

This is also continuous with other research that discusses the types of investors based on the risk and return of investing. There are at least four types of investors who have different risk bearing capacities as well as expectations (D. Kiran & Rao, 2011). The first one is the professional investor, who expects greater return while takes greater risk as well. This type of investor strongly believes that they wouldn't lose more money compared to their probability to gain more return. Another type of investor is the ambitious investor, who tends to look for short-term return although with higher risk. Unlike the ambitious investor, the third type of investor, cautious investor only searches for regular income (low risk) rather than having capital gain. The last type of investor is highly cautious investor, the risk averse one. This type of investor only invests in several instruments where they know that there is a very minimal possibility of risk involved.

Stock Return
Stock return prediction is of great significance to asset allocation, risk management and asset pricing. However, a previous research indicates that it is difficult to find a predictor or a rational model to accurately forecast out-of-sample stock return (Welch & Goyal, 2008). This stock return uncertainty may lead to differences in decision taken (Marchau et al., 2019). Someone could be discouraged to do a stock investment because of the uncertainty of the return.

Stock Return towards Enthusiasm of Stock Investment
In the rational decision-making model, decision makers or investors will definitely analyze a number of possible alternatives in the stock market before selecting the stock in which to invest, including return on investment (Sharma & Inclusion, 2014). This analysis will be useful to predict the future stock price in order to gain a maximum return through capital gain. As one of the types of return on investment, dividend plays an important role for investors' decision making to invest in certain stocks. In the previous research, they found that most of individual investors take important portion of their dividend income and few of them reinvest their dividend income (Akhtar et al., 2012). Indeed, outcomes from the same research shows that investors have strong preference for cash or stock dividend although the company had to borrow some funds to carry out the distribution of dividends. Another study also found that stock holdings and trading behaviour of more than 60,000 households is consistent with dividend clienteles (Graham & Kumar, 2006).

Methodology
The research started by identifying the problem. Problem identification is one of the most important things in the early stage of research. After successfully identifying the problem, researcher then will define the research questions, objectives, scope and limitations. The research objectives are defined which is to measure the enthusiasm of stock investment among Generation Z and determine factors that affect it. This study results can help to give recommendations to improve the enthusiasm of Generation Z in Bandung City in doing stock investment.

The next step will be collecting the relevant literature to support the research. After reviewing the literature, the researcher collects the primary data from questionnaires and secondary data. Primary data is data which is collected for the first time by the researcher for specific research

purposes. The primary data is collected in term of the questionnaire that covers up the set of questions refer to certain factors on enthusiasm of stock investment. The targeted audience will be for Generation Z (born between 1995-2010) in Bandung City in order to find the relationship among those factors, and at last figure out how far does the enthusiasm of stock investment. The researcher has to distribute a total of 400 valid responses based on Slovin formula. However, as the object of this study is stock investment, which user must be at least 17 years old to open a securities account, the respondents in this study will cover up those members of Generation Z who have already reached the age of 17 and have a regular income in order to avoid the bias.

Apart from the collection of primary data, the relationships and trends of existing data also need to be established in order to support the content of this research. Therefore, secondary data is also necessary for this study. The sources of the secondary data used in this study are consists of textbooks, journals, and research publication, which are discussing about all the terms used in this study.

In this study, the researcher will use a statistical approach, started with validity and reliability test. Validity is the degree to which the differences obtained within the scale scores describe the exact differences among the measured objects and characteristics it (Taherdoost, 2018). To conduct the validity test, the researcher will use Pearson Correlation using confidence level of 95%. This study will use a minimum score of correlation coefficient of 0.4 in order to determine whether the data is valid as a coefficient between 0.4 and 0.6 is considered good or adequate (Schober & Schwarte, 2018). Meanwhile, the reliability test will be used to scale and display the consistency of results if the repeated measurement is conducted. Reliability of the measures was assessed with the help of Cronbach's alpha. As a general principle a coefficient more than or equal to 0.6 is regarded acceptable and also a good sign of constructive reliability.

Furthermore, the statistical approach will use Multi Linear Regression to determine the correlations between two or more variables having cause-effect relations, and to make predictions for the topic by using the relation (Uyanık & Güler, 2013). It is used in this study since there are multiple independent variables (financial literacy, stock return, and risk tolerance) being tested toward one dependent variable (ENT). This method is used to determine whether or not there are any significant relationships between independent variables and dependent variables (Tranmer and Elliot, 2008).

Discussion and Analysis
Based on the discussion, this study aims to analyze three factors that affect the enthusiasm in doing stock investment: financial literacy, risk tolerance, and stock return. Those three indicators will act as the independent variables in this study. On the other hand, the dependent variable is the enthusiasm on stock investment. By analyzing factors that may affect the enthusiasm on stock investment, it can be used to propose recommendations to improve the enthusiasm of Generation Z in Bandung City in doing stock investment. Therefore, here are the conceptual framework in this study:
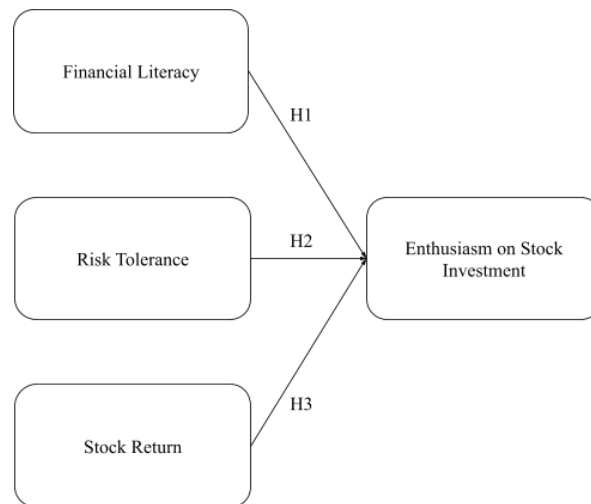
Figure 1: Conceptual Framework

Source: Author's interpretation

First of all, the researcher will measure the enthusiasm on the stock investment. There are four questions that have been distributed through online questionnaires. Using likert scale, all measurements are valued on a scale of one to five, with one indicating strongly disagrees and a score of five indicating strongly agreed. Survey questions with a scale of one to five will be most appropriate for sorting the weak statement and interpreting the strong statement. Based on the results obtained from the questionnaire, the enthusiasm of 400 respondents on stock investment will be as follow:

Table 3: Dependent Variable – Enthusiasm on Stock Investment

No	Label	Response Frequency					Total	Mean
		1	2	3	4	5		
1	ENT1	14	48	99	172	67	400	3.58
		3.50%	12.00%	24.75%	43.00%	16.75%	100.00%	
2	ENT2	14	124	129	107	26	400	3.02
		3.50%	31.00%	32.25%	26.75%	6.50%	100.00%	
3	ENT3	8	80	126	159	27	400	3.29
		2.00%	20.00%	31.50%	39.75%	6.75%	100.00%	
4	ENT4	13	47	104	153	83	400	3.62
		3.25%	11.75%	26.00%	38.25%	20.75%	100.00%	
Total Mean of the Enthusiasm on Stock Investment Variable								**3.38**

Table 4.5 represents the result of respondents' enthusiasm on stock investment. Based on the table, it can be seen that the total responses for all item in the questionnaires are 400, indicates none of the response is missing. The mean score for the item questionnaires is ranging from 3.02 to 3.62, with the total mean score of 3.38 from the maximum score of 5. This result indicates that respondent is quite enthusiastic on stock investment.

Moreover, in order to figure out the relationship between the dependent variable and factors affecting more than one independent variable, the multiple linear regression analysis is implemented in this study. It aims to the strength of the relationship between three independent

variables (financial literacy, risk tolerance, and stock return) and the dependent variable (enthusiasm on stock investment). It needs to be noted that all of the analysis in this multiple linear regression method are using the alpha of 0.05, since this study uses 95% level of confidence. The result of the analysis explained on Table 4 below.

Table 4: Statistical Analysis - Multiple Linear Regression

Model	Unstandardized Coefficient		Standardized Coefficient	t	Sig.
	B	Std. Error	B		
(Constant)	.991	.836		1.186	.236
Financial Literacy	.184	.017	.505	11.110	.000
Risk Tolerance	.187	.032	.271	5.821	.000
Stock Return	.071	.048	.053	1.460	.145

Source: Author's interpretation

Based on the formula given from Lind, Douglas A., Marchal, William G., Wathen (2012) and the results of the regression above, it can be interpreted that the equation of this study will be as follow:

$$Y = 0.991 + 0.184X1 + 0.187X2$$

This equation interprets that the enthusiasm on stock investment would have a value of 0.991 except for constant when all independent variables have a zero value. The financial literacy (X1) has a value of 0.184, which means if the financial literacy's value increases by one unit, the enthusiasm on stock investment will increase by 0.184 units. Meanwhile, the result of the risk tolerance value (X2) is 0.187, meaning that the enthusiasm on stock investment will increase by 0.187 units if the risk tolerance value increases by one unit. Lastly, although the stock return has a value of 0.071 which may indicate if the stock return's value increases by one unit, the enthusiasm on stock investment will increase by 0.071 units, this independent variable is not included in the equation, as this variable does not pass the hypothesis test which will be discussed further in the next section.

The researcher also uses coefficient of determination from the regression analysis to test how much the ability of the model to describe dependent variable's variance has. The results of this analysis will be as follow.

Table 5: Statistical Analysis - Coefficient of Determination

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.731	.535	.532	2.295

Source: Author's interpretation

Table 5 above demonstrate that three independent variables in this study, including financial literacy, risk tolerance, and stock return influence the enthusiasm on stock investment. The result of adjusted R square value is 0.532, which indicates 53.2 percent change in the enthusiasm on stock investment can be explained by those three independent variables. Whereas other factors that are not analyzed in this study contribute 47.8 percent, as the

enthusiasm on stock investment are not affected by financial literacy, risk tolerance, and stock return only.

Lastly, the researcher does the T test to figure out the influence of each independent variables towards the variation of the dependent variable. The results shown by the significant value will determine whether each independent variables have a positive effect on dependent variable. If the significance value is less than 0.05, the hypothesis of this research is accepted. In addition, the results of t value also can be used to determine the positive relationship between independent variables and dependent variables if it has a greater value than 1.996 (based on the T table). The findings of the first hypothesis test will be as follow:

Table 6: Statistical Analysis - T Test

Hypothesis	Sig. Value	t Value	Result
Financial literacy has a significant positive effect on the enthusiasm on stock investment.	.000	11.110	Accepted
Risk tolerance has a significant positive effect on the enthusiasm on stock investment.	.000	5.821	Accepted
Stock return has a significant positive effect on the enthusiasm on stock investment.	.145	1.460	Not Significant

Source: Author's interpretation

Based on table 6 above, it can be concluded that each of financial literacy and risk tolerance has a significant positive effect on the enthusiasm on stock investment among Generation Z in Bandung City. However, the hypothesis of "stock return has a significant positive effect on the enthusiasm on stock investment among Generation Z in Bandung City" is insignificant as it has a significance value greater than 0.05 and a lower t value compared to T table.

Conclusion

Based on the researchers' findings and discussion on the analysis of enthusiasm on stock investment among Generation Z in Bandung City, there are several conclusions that can be generated in this study. First, the empirical findings indicate that the enthusiasm on stock investment among Generation Z in Bandung City is in the moderate level. The researcher measures the enthusiasm in several different aspects, including their willingness to find information or news related to stock investment, their willingness to broaden their knowledge on stock investment, and their intention to do stock investment. After distributing questionnaires, the total mean of the enthusiasm on stock investment is 3.38 out of five. However, if it is divided based on respondents' experience on stock investment, the total mean score for those who have invested before is higher compared to those who have not invested yet, with score of 3.86 compared to 3.07 from the maximum score of five.

There are three different variables tested in this study to find several factors that affect the enthusiasm on stock investment: financial literacy, risk tolerance, and stock return. Based on the data analysis using T Test, the researcher finds that two variables, financial literacy and risk tolerance have a significant effect on the enthusiasm on stock investment. The relationship is directly proportional, means the higher each factors' level, the higher result on the

enthusiasm on stock investment will be produced, and vice versa. Meanwhile, the last independent variables, stock return, is proved to be insignificant in this research.

In addition, the result from coefficient of determination also supports the previous findings. The result of 0.532 indicates all of the independent variables has an effect on the enthusiasm on stock investment of 53.2 percent. The remaining percentage illustrates other factors outside this study that affect the enthusiasm on stock investment.

To sum up, from three hypotheses in this study, all of them are tested by using Multiple Linear Regression. The result shows that those two hypotheses are accepted. Both of financial literacy and risk tolerance have a significant positive effect on the enthusiasm on stock investment among generation Z in Bandung City, while stock return is insignificant in this research.

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