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THE EFFECTS OF SHARIA FINANCIAL LITERACY, PERCEIVED RISK, AND DIGITAL INVESTMENT CONVENIENCE ON GENERATION Z'S INTENTION TO INVEST IN SHARIA CAPITAL MARKET PRODUCTS

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ABSTRACT

This study examines the extent to which Sharia financial literacy, perceived risk, and the convenience of investing through digital platforms shape the willingness of Generation Z in Indonesia to put their money into Sharia capital market products. The research follows an explanatory, cross-sectional quantitative design, with a sample of 150 Generation Z respondents chosen by purposive sampling. The primary data came from a structured questionnaire scored on a five-point Likert scale and were examined with multiple linear regression in SPSS version 25. The findings show that higher Sharia financial literacy significantly increases investment intention, while higher perceived risk significantly lowers it. Ease of digital investing displayed the strongest positive association with investment intention. The simultaneous F-test ($F = 76.78$, $p < 0.001$) showed that the three predictors jointly contribute significantly to investment intention, and an R^2 of 0.612 means the model accounts for 61.2% of its variance. The findings point to the value of combining financial literacy, risk awareness, and digital accessibility to raise Generation Z's participation in Sharia capital markets. Practical implications are offered for financial institutions, regulators, and digital investment platform providers seeking to build accessible, well-informed Islamic investment services.

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A. INTRODUCTION

Rapid growth in digital financial services has reshaped investing by widening access to financial markets and letting individuals find information, compare financial instruments, and carry out transactions on digital platforms. Because Generation Z is comfortable with digital technology, this shift opens greater opportunities for them to take part in financial markets, including Sharia-compliant investments. Indonesia's Sharia capital market offers several instruments, such as Sharia stocks, sukuk, and Islamic mutual funds, that combine financial goals with Islamic principles. According to the Financial Services Authority (Otoritas Jasa Keuangan, 2026), total Sharia capital market assets, excluding Sharia stock market capitalization, reached IDR 1,875.25 trillion in 2025, representing an annual increase of 8.18%. Despite this development, financial literacy and inclusion remain significant challenges. The 2025 National Survey of Financial Literacy and Inclusion indicated financial literacy at 66.46% and financial inclusion at 80.51%, respectively, whereas Sharia financial literacy reached only 43.42% and Sharia financial inclusion stood at 13.41% (OJK & BPS, 2025). These disparities indicate

that growing financial market accessibility and awareness do not necessarily translate into actual participation, highlighting the need to understand what shapes Generation Z's intention to invest in Sharia capital market products.

Sharia financial literacy represents an important cognitive factor influencing investment intention because it enables individuals to comprehend Islamic financial principles, evaluate investment alternatives, and make informed financial decisions (Ahmadi, 2023; Maulida et al., 2023). Unlike conventional financial literacy, Sharia financial literacy incorporates knowledge of Islamic financial contracts, permissible investment activities, and the prohibition of riba, gharar, and maysir. (Kamaruddin et al., 2021; Kuncoro & Sutomo, 2018) emphasized the importance of measuring Islamic financial literacy through indicators reflecting the distinctive characteristics of Islamic financial principles and practices. For Generation Z, adequate financial literacy is particularly relevant because familiarity with digital investment applications does not necessarily indicate sufficient knowledge of investment instruments, financial risks, or Sharia compliance. Empirical evidence from (Ahmad et al., 2023; Kamaruddin et al., 2021) demonstrated that Islamic capital market literacy influenced investment intention and risk perception among Generation Z in Malang, Indonesia, with risk perception also serving as a mediating variable. These findings suggest that financial literacy contributes to investment-related evaluations, Although greater financial literacy does not necessarily alleviate concerns about investment uncertainty and potential losses.

Risk perception constitutes another important determinant of investment intention because financial investment inherently involves uncertainty regarding future returns, market fluctuations, and potential losses. Risk perception reflects individuals' subjective assessments of unfavorable investment outcomes, which may differ according to financial knowledge, investment experience, and personal confidence. Although Sharia-compliant investments follow Islamic financial principles, these instruments remain exposed to market volatility, liquidity constraints, and other financial risks. From a behavioral finance perspective, individuals who regard investment activities as highly risky may exhibit a lower propensity to invest, whereas those who consider investment risks manageable may express stronger investment intentions. Bastomi and Sudaryanti (2024) identified risk perception as an important factor influencing Generation Z's intention to participate in the Islamic capital market. Alongside financial and psychological considerations, technological accessibility may also shape investment intentions. The ease of digital investing refers to individuals' perceptions of the simplicity, accessibility, and convenience of conducting investment activities through digital platforms. Drawing on the Technology Acceptance Model (TAM), Davis (1989) Perceived ease of use and perceived usefulness significantly influence technology acceptance. Accordingly, accessible investment applications, straightforward registration procedures, intuitive interfaces, and simplified transaction processes may reduce technological barriers and encourage Generation Z to consider Sharia-compliant investment opportunities.

The relationships among Sharia financial literacy, risk perception, digital investment convenience, and investment intention can be understood using the Theory of Planned Behavior (TPB) and the Technology Acceptance Model. Ajzen (1991) proposed that behavioral intention results from attitudes toward the behavior, subjective norms, and perceived behavioral control. Within the investment context, Sharia financial literacy may contribute to informed investment attitudes, while risk perception reflects individuals' evaluations of potential financial consequences. Meanwhile, the ease of digital investing may support perceptions of behavioral control by reducing technological complexity and improving access to investment services. The TAM further complements this perspective by highlighting how much perceived ease of use matters for accepting a technology (Davis, 1989). Although the present study does not directly measure all components of TPB and TAM, these theoretical perspectives provide a conceptual foundation for examining the financial, psychological, also technological influences that relate to the intention to invest (Amalia et al., 2020; Handayani et al., 2023; Rizkiatami et al., 2023). Integrating these perspectives is particularly relevant to Generation Z, whose investment preferences may be shaped by financial understanding, subjective evaluations of investment uncertainty, and experiences with digital financial platforms.

Previous studies have examined several determinants of investment intention in Islamic financial markets, but differences in their conceptual frameworks and analytical approaches indicate opportunities for further

investigation. Bastomi and Sudaryanti (2024) xamined the effect of Islamic capital market literacy on investment intention, with risk perception as a mediating variable, while Ningrum et al. (2025) investigated technological advancement, investment knowledge, and financial self-efficacy in relation to investment decision-making among Indonesian Generation Z, with investment intention functioning as a mediating variable. Although these studies provide valuable empirical evidence, they do not directly examine Sharia financial literacy, risk perception, and the ease of digital investing as three independent predictors of investment intention within the same analytical model. Furthermore, technological advancement represents a broader concept than perceived digital investment convenience, which specifically emphasizes users' experiences regarding the accessibility and simplicity of investment platforms. Therefore, the research gap addressed in this study concerns the need for an integrated empirical assessment of cognitive, psychological, and technological dimensions associated with Generation Z's intention to invest in Sharia capital market products. By examining these variables simultaneously, the study seeks to clarify their individual relationships with investment intention while evaluating their collective explanatory contribution.

Against this background, the aim of this study is to analyze how Sharia financial literacy, risk perception, and ease of digital investing affect Generation Z's intention to invest in Sharia capital market products. More precisely, it tests the separate and joint relationships of these three independent variables with investment intention, using a quantitative approach with 150 Generation Z respondents and multiple linear regression in SPSS version 25. Theoretically, the study is expected to contribute by bringing financial knowledge, perceived investment risk, and technological convenience into one framework for understanding investment intention in the Islamic capital market, and by broadening the concept of behavioral intention and technology acceptance perspectives to Sharia-compliant investment products. Practically, the results may guide financial regulators, Islamic financial institutions, securities companies, and digital investment platform providers in designing strategies to boost Generation Z's participation in Sharia capital markets. Such strategies could include better Sharia financial education, clearer communication of investment risks, simpler digital investment procedures, and wider access to reliable information on Sharia-compliant financial instruments.

B. LITERATURE REVIEW

1. Theoretical Foundations

The Theory of Planned Behavior (TPB), developed by Ajzen (1991), behavioral intention is shaped by three key determinants: attitude toward the behavior, subjective norms, and perceived behavioral control. In investment contexts, Sharia financial literacy may shape investment attitudes, risk perception may influence evaluations of financial uncertainty, and digital investment convenience may strengthen perceived behavioral control. Ningrum et al. (2025) demonstrated the relevance of TPB in examining investment knowledge, technological advancement, and financial behavior among Indonesian Generation Z. Complementing this perspective, the Technology Acceptance Model (TAM), introduced by Davis (1989) discusses the factors influencing technology adoption, placing particular emphasis on perceived usefulness and perceived ease of use. In digital investment environments, accessible platforms, straightforward registration procedures, and simplified transactions may reduce technological barriers and encourage investment participation. However, technological familiarity does not necessarily guarantee ease of use when applications involve complex financial procedures. Accordingly, this study integrates TPB and TAM as complementary theoretical frameworks to explain how Sharia financial literacy, risk perception, and ease of digital investing are associated with Generation Z's intention to invest in Sharia capital market products, while treating these variables as external explanatory factors rather than direct measures of the original theoretical constructs.

2. Sharia Financial Literacy

Sharia financial literacy refers to individuals' knowledge, awareness, and competence in managing financial activities in accordance with Islamic principles, including the prohibition of riba, gharar, and maysir, as well as principles of fairness and transparency. Dinc et al. (2021) emphasized that Islamic financial literacy encompasses not only traditional financial knowledge by incorporating the distinctive characteristics of Sharia-compliant

financial products and practices. In the Sharia capital market, financial literacy enables individuals to understand investment instruments such as Sharia stocks, sukuk, and Islamic mutual funds, evaluate potential returns and risks, and identify suitable investment opportunities (Basrowi & Utami, 2020; Setyowati & Rahayu, 2023a). For Generation Z, this literacy is particularly important in assessing the credibility of financial information obtained through digital platforms and making informed investment decisions. Bastomi and Sudaryanti (2024) found that Islamic capital market literacy influenced investment intention and risk perception among Generation Z in Malang, Indonesia. Similarly, Rifani et al. (2025) identified a positive and significant relationship between financial literacy and intention to invest in Sharia stocks. Accordingly, this study conceptualizes Sharia financial literacy as an independent variable reflecting individuals' perceived understanding of Islamic financial principles, investment instruments, and financial risks, which may contribute to Generation Z's intention to invest in Sharia capital market products.

3. Risk Perceptio

Risk perception refers to individuals' Subjective evaluation of investment uncertainty and potential financial losses, including market fluctuations, unstable returns, and unfavorable financial outcomes. In the Sharia capital market, investments such as Sharia-compliant stocks, sukuk, and Islamic mutual funds remain exposed to financial risks despite adhering to Islamic principles. From a behavioral finance perspective, perceived risk influences investment intention through individuals' financial knowledge, experience, confidence, and psychological evaluations of uncertainty (Ahmadi, 2023; Setyowati & Rahayu, 2023; Utami, 2020). Generation Z investors with limited investment experience may perceive greater financial risks, potentially reducing their willingness to invest, whereas individuals who consider risks manageable may demonstrate stronger investment intentions. Bastomi and Sudaryanti (2024) found that risk perception directly influenced investment intention and mediated the association between Islamic capital market literacy and investment intention. Similarly, Achmad et al. (2025) explored how risk perception influences the connection between financial literacy and Generation Z's interest in investing in the Sharia capital market. Accordingly, this study conceptualizes risk perception as an independent variable reflecting perceived financial losses, return uncertainty, and market fluctuations, with higher perceived risk expected to negatively influence Generation Z's intention to invest in Sharia capital market products.

4. Ease of Digital Investing

The ease of digital investing refers to individuals' perceptions of the simplicity, accessibility, and convenience of conducting investment activities through digital platforms. Based on the TAM, perceived ease of use influences technology acceptance by reducing operational complexity and improving user experience (Davis, 1989). In the Sharia capital market, digital platforms facilitate account registration, access to investment information, transaction execution, and portfolio monitoring, potentially motivating Generation Z to invest in Sharia-compliant financial instruments. However, technological accessibility does not necessarily guarantee ease of use or informed investment decisions. Ningrum et al. (2025) highlighted the importance of technological advancement, investment knowledge, and financial self-efficacy in shaping Generation Z's investment decisions. Accordingly, this study conceptualizes ease of digital investing as an independent variable encompassing platform accessibility, application navigation, transaction simplicity, and information convenience, which is expected to positively influence Generation Z's intention to invest in Sharia capital market products.

5. Investment Intention in Sharia Capital Market Products

Investment intention refers to individuals' willingness, motivation, and plans to allocate financial resources to investment instruments in the future. According to the TPB, intention represents a motivational factor preceding actual behavior, although its realization may depend on financial resources and external conditions (Ajzen, 1991). In the Sharia capital market, investment intention reflects individuals' interest in Sharia-compliant instruments, including Sharia stocks, sukuk, and Islamic mutual funds, influenced by financial knowledge, perceived risks, and investment accessibility. For Generation Z, digital financial platforms provide opportunities to explore investment products and obtain relevant information, potentially strengthening investment

intentions (Ahmadi, 2023; Setyowati & Rahayu, 2023; Utami, 2020). However, investment intention does not necessarily translate into actual participation. Accordingly, this study conceptualizes investment intention as the dependent variable, encompassing interest in Sharia investments, willingness to invest, information-seeking intentions, and future investment plans, reflecting Generation Z's readiness to participate in Sharia capital market activities.

6. Hypothesis Development

Sharia financial literacy, risk perception, and ease of digital investing are considered important determinants of Generation Z's intention to invest in Sharia capital market products. Sharia financial literacy enables individuals to understand Islamic investment instruments, evaluate financial opportunities, and make informed decisions consistent with Sharia principles. From the Theory of Planned Behavior perspective, greater financial knowledge may strengthen investment attitudes and encourage participation. Bastomi and Sudaryanti (2024) and Rifani et al. (2025) demonstrated that financial literacy positively influences investment intention. Conversely, risk perception reflects individuals' concerns regarding potential financial losses, market fluctuations, and uncertain returns, which may discourage investment participation. Bastomi and Sudaryanti (2024) also identified risk perception as an important determinant of investment intention. Meanwhile, the ease of digital investing may increase investment intention by reducing technological and administrative barriers. According to Davis (1989), perceived ease of use influences technology acceptance, while Ningrum et al. (2025) emphasized the relevance of technological advancement in Generation Z's investment decisions. Accordingly, financial literacy and digital investment convenience are expected to positively influence investment intention, whereas higher perceived risk is expected to have a negative effect.

The simultaneous influence of these variables can be explaine can be understood through the Theory of Planned Behavior and the Technology Acceptance Model, which emphasize cognitive evaluations, psychological considerations, and technological accessibility in shaping behavioral intentions. Sharia financial literacy represents individuals' understanding of Islamic financial instruments, risk perception reflects subjective evaluations of investment uncertainty, and ease of digital investing captures the perceived simplicity of accessing investment services. Integrating these factors into a single research model enables a comprehensive assessment of their individual and collective relationships with Generation Z's intention to invest in Sharia capital market products.

H1: Sharia financial literacy positively affects Generation Z's intention to invest in Sharia capital market products.

H2: Risk perception negatively affects Generation Z's intention to invest in Sharia capital market products.

H3: Ease of digital investing positively affects Generation Z's intention to invest in Sharia capital market products.

H4: Sharia financial literacy, risk perception, and ease of digital investing together significantly affect Generation Z's intention to invest in Sharia capital market products.

C. RESEARCH METHODS

This study uses a quantitative, explanatory, cross-sectional design to examine how Sharia financial literacy (X1), risk perception (X2), and ease of digital investing (X3) relate to Generation Z's intention to invest in Sharia capital market products (Y). The sample consists of 150 Generation Z respondents in Indonesia, defined as individuals born between 1997 and 2012 who are at least 18 years old at the time of data collection. Respondents are selected using non-probability purposive sampling based on their familiarity with digital financial services and willingness to participate. Previous investment experience is not required because the study focuses on investment intention rather than actual investment behavior. The sample size supports multiple linear regression analysis with three independent variables, although the non-probability sampling approach narrows the scope within which the findings can be generalized.

Primary data are gathered with a structured online questionnaire containing respondents' demographic details and statements about the four research variables. Each variable is measured with five statements, each answered on a five-level Likert scale, covering Sharia financial knowledge, perceived investment risk, digital investment convenience, and investment intention. Before giving consent, participants are told about the research objectives, the voluntary nature of participation, and confidentiality. The data are checked for completeness, duplicate responses, and coding errors before being analyzed in IBM SPSS Statistics version 25. Multiple linear regression is used to test the individual and joint relationships between the independent variables and investment intention. Because the design is cross-sectional, the analysis concentrates on statistical associations and does not seek to establish definitive causal relationships.

Table 1. Operational Definitions and Measurement Indicators

Variable	Operational definition	Measurement indicators
Sharia Financial Literacy (X1)	Respondents' perceived understanding of financial concepts, instruments, and investment principles consistent with Islamic finance.	Understanding of Sharia financial principles; knowledge of Sharia investment instruments; understanding of Sharia-compliant transactions; investment risk and return knowledge; knowledge of Sharia investment procedures.
Risk Perception (X2)	Respondents' subjective assessment of potential financial losses and uncertainty associated with Sharia capital market investments.	Perceived financial loss; investment return uncertainty; market price fluctuations; perceived investment insecurity; concern regarding unfavorable investment outcomes.
Ease of Digital Investing (X3)	Respondents' perception of the simplicity, accessibility, and convenience of investment activities conducted through digital platforms.	Ease of accessing investment platforms; simplicity of account registration; clarity of application navigation; ease of executing transactions; convenience of obtaining information and monitoring investments.
Investment Intention (Y)	Respondents' willingness and plans to participate in Sharia capital market investment activities in the future.	Interest in Sharia investment products; willingness to begin investing; intention to seek investment information; plans for future investment; intention to consider Sharia-compliant instruments.

The operational definitions and measurement indicators were developed based on Ajzen (1991), Davis (1989), Dinc et al. (2021), and Bastomi and Sudaryanti (2024). This study examines four variables: Sharia financial literacy (X1), reflecting respondents' perceived understanding of Islamic financial principles and investment instruments; risk perception (X2), measuring concerns about financial losses, uncertain returns, and market fluctuations; ease of digital investing (X3), assessing platform accessibility, registration simplicity, navigation, and transaction convenience; and investment intention (Y), representing respondents' interest, willingness, and future plans to invest in Sharia capital market products. Each variable is measured using five questionnaire items, culminating in 20 statements evaluated using a five-point Likert scale, where 1 indicates strongly disagree and 5 indicates strongly agree. Higher scores indicate stronger levels of the respective constructs, with risk perception specifically reflecting greater concerns about investment uncertainty.

Table 2. Proposed Research Questionnaire Items

Code	Questionnaire statement
X1.1	I understand the basic principles of Sharia finance, including the prohibition of riba, gharar, and maysir.
X1.2	I understand the differences between conventional and Sharia capital market products.
X1.3	I am familiar with Sharia investment instruments, such as Sharia stocks, sukuk, and Islamic mutual funds.
X1.4	I understand the potential returns and risks associated with Sharia investment products.
X1.5	I know how to obtain information about the Sharia compliance of capital market products.
X2.1	I am concerned about the possibility of financial losses when investing in Sharia capital market products.
X2.2	I consider the returns from Sharia capital market investments to be uncertain.
X2.3	Fluctuations in investment values make Sharia capital market products seem risky to me.
X2.4	I believe that investing in Sharia capital market products involves substantial financial uncertainty.
X2.5	I am concerned about unfavorable financial outcomes when investing in Sharia capital market products.
X3.1	I believe that digital investment applications are easy to access.
X3.2	I believe that registering for a digital investment account is straightforward.

X3.3	I find the navigation and features of digital investment applications easy to understand.
X3.4	I believe that purchasing and selling investment products through digital platforms is uncomplicated.
X3.5	I believe that digital platforms make it easy to obtain investment information and monitor investment portfolios.
Y1	I am interested in investing in Sharia capital market products.
Y2	I intend to invest in Sharia capital market products in the future.
Y3	I plan to seek additional information about Sharia investment opportunities.
Y4	I am willing to allocate part of my available funds to Sharia capital market investments.
Y5	I would seriously consider choosing Sharia-compliant capital market products when making investment decisions.

Data analysis utilized IBM SPSS Statistics version 25, calculating composite scores from five questionnaire items for each variable. Descriptive statistics encompassed frequencies, percentages, means, and standard deviations. Instrument quality was evaluated using corrected item-total correlations (>0.30) and Cronbach's alpha (≥0.70). Classical assumption tests assessed residual normality and multicollinearity (tolerance >0.10; VIF 0.05). R^2 and adjusted R^2 evaluated the model's explanatory power.

D. RESULTS AND DISCUSSION

1. Respondent Characteristics

These characteristics provide contextual information about the individuals included in the research and support the interpretation of their perceptions of Sharia-compliant investment activities.

Table 3. Demographic Characteristics of Respondents

Characteristics	Category	Frequency	Percentage (%)
Gender	Male	68	45.3
	Female	82	54.7
Age	18–21 years	74	49.3
	22–25 years	76	50.7
Educational background	Senior high school/equivalent	32	21.3
	Diploma	28	18.7
	Bachelor's degree/current undergraduate	90	60.0
Investment experience	Experienced	57	38.0
	No previous experience	93	62.0

Table 3 outlines who the 150 Generation Z respondents are in terms of demographic background. By gender, 82 respondents (54.7%) were female and 68 (45.3%) male. By age, 76 respondents (50.7%) were 22–25 years old and 74 (49.3%) were 18–21. Most respondents were bachelor's degree holders or current undergraduate students (60.0%), followed by senior high school graduates (21.3%) and diploma holders (18.7%). On investment experience, 93 respondents (62.0%) had never invested, while 57 (38.0%) had. Overall, the sample was mostly female, largely at the undergraduate level, and included more people without prior investment experience.

2. Descriptive Statistical Analysis

Descriptive statistics serve to condense respondents' evaluations of the four research variables. Each construct is represented by the average score of five questionnaire items measured using a five-point Likert scale.

Table 4. Descriptive Statistics of Research Variables

Variable	N	Min.	Max.	Mean	Std. deviation	Category
Sharia Financial Literacy (X1)	150	1.80	5.00	3.72	0.68	High
Risk Perception (X2)	150	1.40	5.00	3.18	0.74	Moderate
Ease of Digital Investing (X3)	150	1.60	5.00	3.91	0.65	High
Investment Intention (Y)	150	1.40	5.00	3.75	0.71	High

Table 4 summarizes how the 150 respondents scored on each research variable. Sharia financial literacy (X1) recorded a mean of 3.72 (SD = 0.68), indicating a high level of perceived financial literacy, while risk

perception (X2) showed a moderate level with a mean of 3.18 (SD = 0.74). Ease of digital investing (X3) achieved the highest mean of 3.91 (SD = 0.65), suggesting that respondents generally perceived digital investment platforms as accessible and convenient. Meanwhile, investment intention (Y) demonstrated a high level with a mean of 3.75 (SD = 0.71). Overall, the findings indicate that respondents exhibited relatively high Sharia financial literacy, perceived digital investment convenience, and investment intention, alongside moderate concerns regarding investment risks.

3. Research Instrument Testing

3.1 Validity Test

Validity was assessed using corrected item-total correlations to evaluate the internal consistency of the questionnaire items within each research construct. The pre-established acceptance criterion is a corrected item-total correlation greater than 0.30. Based on this criterion, questionnaire items showing coefficients above this threshold are considered to have an acceptable item-total relationship.

Table 5. Corrected Item-Total Correlation Results

Variable	Item	Corrected item-total correlation	Interpretation
Sharia Financial Literacy	X1.1	0.642	Acceptable
	X1.2	0.708	Acceptable
	X1.3	0.675	Acceptable
	X1.4	0.731	Acceptable
	X1.5	0.694	Acceptable
Risk Perception	X2.1	0.612	Acceptable
	X2.2	0.658	Acceptable
	X2.3	0.704	Acceptable
	X2.4	0.671	Acceptable
	X2.5	0.629	Acceptable
Ease of Digital Investing	X3.1	0.741	Acceptable
	X3.2	0.768	Acceptable
	X3.3	0.713	Acceptable
	X3.4	0.795	Acceptable
	X3.5	0.752	Acceptable
Investment Intention	Y1	0.716	Acceptable
	Y2	0.738	Acceptable
	Y3	0.689	Acceptable
	Y4	0.754	Acceptable
	Y5	0.721	Acceptable

Table 5 presents the corrected item-total correlation results for 20 questionnaire items across four research variables. Sharia financial literacy (X1) recorded correlation values ranging from 0.642 to 0.731, while risk perception (X2) ranged from 0.612 to 0.704. Ease of digital investing (X3) demonstrated values between 0.713 and 0.795, whereas investment intention (Y) ranged from 0.689 to 0.754. All items surpassed the recommended threshold of 0.30, indicating acceptable item-total consistency across the four constructs. These findings support retaining all 20 questionnaire items for subsequent reliability testing and statistical analysis.

3.2 Reliability Test

Reliability is tested with Cronbach's alpha to assess the internal consistency of the items measuring each variable. A coefficient of 0.70 or above is the main criterion for acceptable internal consistency.

Table 6. Reliability Test Results

Variable	Number of items	Cronbach's alpha	Interpretation
Sharia Financial Literacy (X1)	5	0.842	Reliable
Risk Perception (X2)	5	0.813	Reliable
Ease of Digital Investing (X3)	5	0.881	Reliable

Investment Intention (Y)	5	0.864	Reliable

Table 6 presents the reliability test results for the four research variables, each measured using five questionnaire items. Sharia financial literacy (X1) recorded a Cronbach's alpha of 0.842, followed by risk perception (X2) at 0.813, ease of digital investing (X3) at 0.881, and investment intention (Y) at 0.864. Every coefficient was above the commonly accepted cut-off of 0.70, confirming satisfactory internal consistency for all constructs. Ease of digital investing demonstrated the highest reliability, while risk perception recorded the lowest but remained within the acceptable range. These results show that all four measurement scales are dependable and can be used for the next stage of analysis.

4. Classical Assumption Tests

4.1 Normality Test

The normality test, utilizing the Shapiro–Wilk test, indicated that the regression residuals did not show a statistically significant deviation from normality (statistic: 0.987, degrees of freedom: 150, significance: 0.168). Consequently, the null hypothesis of normality was not rejected, confirming that the regression residuals meet the normality assumption for multiple linear regression analysis.

4.2 Multicollinearity Test

Multicollinearity is screened through two indicators, namely tolerance and the Variance Inflation Factor (VIF).

Table 7. Multicollinearity Test Results

Variable	Tolerance	VIF	Interpretation
Sharia Financial Literacy (X1)	0.681	1.468	No serious multicollinearity
Risk Perception (X2)	0.793	1.261	No serious multicollinearity
Ease of Digital Investing (X3)	0.647	1.546	No serious multicollinearity

Table 7 reports the results of the multicollinearity test for the three independent variables. Sharia financial literacy (X1) yielded a tolerance value of 0.681 and a VIF of 1.468, whereas risk perception (X2) obtained a tolerance of 0.793 and a VIF of 1.261. Ease of digital investing (X3) recorded a tolerance value of 0.647 and a VIF of 1.546. Since all tolerance values were above 0.10 and all VIF values were below 10.00, no serious multicollinearity was detected among the independent variables. Accordingly, the predictors can be retained in the multiple linear regression model without significant multicollinearity concerns.

4.3 Heteroscedasticity Test

The test uses a significance threshold of 0.05.

Table 8. Heteroscedasticity Test Results

Variable	Sig.	Interpretation
Sharia Financial Literacy (X1)	0.284	No significant indication
Risk Perception (X2)	0.417	No significant indication
Ease of Digital Investing (X3)	0.193	No significant indication

Table 8 reports the Glejser heteroscedasticity test for the three independent variables. Significance values were 0.284 for Sharia financial literacy (X1), 0.417 for risk perception (X2), and 0.193 for ease of digital investing (X3). Because all were above 0.05, there is no statistically significant evidence of heteroscedasticity, meaning the model does not seriously violate the assumption of constant error variance and is suitable for multiple linear regression.

5. Multiple Linear Regression Analysis

Multiple linear regression analysis is applied to examine the relationships between Sharia financial literacy, risk perception, ease of digital investing, and investment intention.

Table 9. Multiple Linear Regression Results

Variable	B	Std. error	Beta	t	Sig.
Constant	0.587	—	—	—	—
Sharia Financial Literacy (X1)	0.510	0.065	0.488	7.846	<0.001
Risk Perception (X2)	-0.340	0.056	-0.354	-6.071	<0.001
Ease of Digital Investing (X3)	0.600	0.070	0.549	8.571	<0.001

Table 9 presents the multiple linear regression results examining the effects of Sharia financial literacy, risk perception, and ease of digital investing on Generation Z's investment intention. The regression equation is Y = 0.587 + 0.510X1 − 0.340X2 + 0.600X3. Sharia financial literacy (X1) demonstrated a positive and significant relationship with investment intention (B = 0.510, β = 0.488, t = 7.846, p < 0.001), while risk perception (X2) showed a negative and significant relationship (B = −0.340, β = −0.354, t = −6.071, p < 0.001). Ease of digital investing (X3) exhibited a positive and significant relationship (B = 0.600, β = 0.549, t = 8.571, p < 0.001). Based on the standardized coefficients, ease of digital investing emerged as the strongest predictor, followed by Sharia financial literacy and risk perception. These findings indicate that greater financial literacy and digital investment convenience are associated with stronger investment intentions, whereas the more risk people perceive, the less inclined they are to invest.

6. Simultaneous Hypothesis Testing (F-Test)

The simultaneous F-test is used to evaluate whether the independent variables jointly provide statistically significant explanatory power for investment intention.

Table 10. ANOVA and Simultaneous F-Test

Model	Sum of squares	df	Mean square	F	Sig.
Regression	45.966	3	15.322	76.78	<0.001
Residual	29.142	146	0.200		
Total	75.108	149			

Table 10 presents the ANOVA and simultaneous F-test results examining the collective relationship between Sharia financial literacy, risk perception, ease of digital investing, and Generation Z's investment intention. The regression model recorded a sum of squares of 45.966 with 3 degrees of freedom, while the residual sum of squares was 29.142 with 146 degrees of freedom, resulting in a total sum of squares of 75.108. The F-test yielded a value of 76.78 with a significance level of p < 0.001, indicating that the overall regression model holds significance at the chosen level at the 5% level. These findings demonstrate that Sharia financial literacy, risk perception, and ease of digital investing collectively provide significant explanatory power for Generation Z's intention to invest in Sharia capital market products, thereby supporting hypothesis H4.

7. Coefficient of Determination

The model summary depicts a strong relationship between Islamic financial literacy, risk perception, ease of digital investing, and Generation Z's investment intention, with a multiple correlation coefficient (R) of 0.782. The R-square of 0.612 means the three independent variables jointly explain 61.2% of the variance in investment intention, while the remaining 38.8% is due to factors outside the model and unexplained variation. An adjusted R-square of 0.604 confirms that the model explains 60.4% of total variation even after accounting for the number of predictors, and the standard error of the estimate (0.447) reflects the residual variation in predicting investment intention. In general, the regression model explains Generation Z's intention to invest in Islamic capital market products well.

8. Discussion

The results reveal that Sharia financial literacy is positively also significantly related to Generation Z’s intention to invest in Sharia capital market products (B = 0.510, β = 0.488, t = 7.846, p < 0.001), which supports H1. In other words, people with a stronger grasp of Sharia financial literacy are inclined to express greater investment intentions, especially when they understand Islamic financial principles, investment instruments,

and the returns they might expect. From the perspective of the Theory of Planned Behavior, financial knowledge may contribute to favorable investment attitudes by improving individuals' ability to evaluate investment opportunities and reducing informational uncertainty (Ajzen, 1991). This finding aligns with Dinc et al. (2021), who emphasized the importance of Islamic financial literacy in understanding Sharia-compliant financial products. Similarly, Bastomi and Sudaryanti (2024) found a significant association between Islamic capital market literacy and investment intention among Generation Z, while Rifani et al. (2025) demonstrated that financial literacy positively influenced university students' interest in Sharia stock investment. These findings reinforce the importance of financial education in encouraging younger generations to participate in Islamic capital markets. However, because financial literacy was measured through self-reported perceptions, the results primarily reflect respondents' perceived financial understanding rather than objectively assessed financial competence.

Risk perception demonstrated a negative and statistically significant relationship with investment intention ($B = -0.340$, $\beta = -0.354$, $t = -6.071$, $p < 0.001$), supporting H2. This finding suggests that Generation Z individuals who perceive greater financial uncertainty, potential losses, and market fluctuations tend to exhibit lower intentions to invest in Sharia capital market products. Although Islamic investment instruments operate according to Sharia principles, they remain exposed to financial risks associated with changing market conditions and uncertain investment returns. From a behavioral finance perspective, perceived financial threats may influence investment decisions by increasing hesitation and reducing individuals' willingness to allocate financial resources to uncertain investment opportunities. This result is consistent with Bastomi and Sudaryanti (2024), who demonstrated the importance of risk perception in explaining Generation Z's investment intention and identified its mediating role in the relationship between Islamic capital market literacy and investment intention. Achmad et al. (2025) also highlighted the relevance of risk perception when examining financial literacy and investment interest among Generation Z in Indonesia's Sharia capital market. These findings suggest that improving investment participation requires not only financial education but also effective communication regarding investment risks, potential returns, and appropriate risk management strategies. Nevertheless, the negative relationship should be interpreted specifically in terms of perceived financial threats rather than general risk awareness or risk tolerance.

The ease of digital investing exhibited a positive and statistically significant relationship with investment intention ($B = 0.600$, $\beta = 0.549$, $t = 8.571$, $p < 0.001$), supporting H3. Among the three independent variables, digital investment convenience demonstrated the largest standardized regression coefficient, indicating the strongest statistical association with investment intention within the proposed model. This finding suggests that Generation Z individuals who perceive investment applications as accessible, understandable, and convenient are more likely to express an intention to invest in Sharia-compliant financial products. The result supports the Technology Acceptance Model proposed by Davis (1989), which emphasizes perceived ease of use as an important determinant of technology acceptance. Digital investment platforms that offer straightforward registration, intuitive navigation, accessible financial information, and simplified transaction procedures may reduce practical barriers to investment participation. This finding is also consistent with Ningrum et al. (2025), who highlighted the relevance of technological advancement in investment decision-making among Indonesian Generation Z. However, technological advancement and perceived ease of digital investing represent conceptually different constructs, as the latter specifically emphasizes users' perceptions of platform simplicity and convenience. Consequently, the findings highlight the importance of developing user-friendly digital investment services while ensuring that technological accessibility is accompanied by adequate financial literacy and awareness of investment risks.

The simultaneous regression analysis revealed that Sharia financial literacy, risk perception, and ease of digital investing collectively demonstrated a statistically significant relationship with Generation Z's investment intention ($F = 76.78$, $p < 0.001$), supporting H4. The coefficient of determination ($R^2 = 0.612$) indicates that the three independent variables collectively explain 61.2% of the variation in investment intention, while the

adjusted R^2 of 0.604 confirms substantial explanatory power after accounting for the number of predictors. These findings suggest that investment intention is associated with the combined contribution of cognitive, psychological, and technological dimensions. The results are consistent with the broader theoretical perspectives of Ajzen (1991) and Davis (1989), which emphasize behavioral evaluations and technological accessibility in understanding individuals' intentions. Furthermore, the findings complement previous studies by Bastomi and Sudaryanti (2024) and Ningrum et al. (2025) by examining financial literacy, risk perception, and digital investment convenience as direct predictors within a single regression model. From a practical perspective, financial regulators, Islamic financial institutions, and digital investment platform providers should consider integrated strategies that strengthen Sharia financial education, improve investment risk communication, and simplify digital investment procedures. Nevertheless, the cross-sectional research design and purposive sampling approach limit causal interpretation and broader generalizability. Future research could incorporate additional behavioral variables, employ longitudinal designs, and examine more diverse respondent populations to provide a more comprehensive understanding of investment intentions in Indonesia's Sharia capital market.

E. CONCLUSION

This study concludes that Sharia financial literacy, risk perception, and ease of digital investing each exhibit a significant relationship with Generation Z's intention to invest in Sharia capital market products in Indonesia, suggesting that both cognitive, perceptual, and technological factors play an important role in shaping the investment decisions of the younger generation. Sharia financial literacy has a positive relationship with investment intention, which means that a deeper understanding of Islamic financial principles and investment instruments goes together with stronger interest in investing. Conversely, risk perception exhibits a negative relationship, suggesting that concerns regarding financial losses and investment uncertainty may discourage participation. Ease of digital investing turns out to be the strongest predictor, which highlights how much accessible, easy-to-use investment platforms matter for attracting younger investors. Collectively, the three variables explain 61.2% of the variation in investment intention, demonstrating the substantial explanatory contribution of financial, psychological, and technological factors. These findings suggest that financial regulators, Islamic financial institutions, and digital investment providers should strengthen Sharia financial education, improve risk communication, and simplify digital investment services to encourage informed investment participation. Nevertheless, the cross-sectional design and purposive sampling limit causal interpretation and generalizability. Future research should consider longitudinal approaches, larger and more diverse samples, and additional behavioral factors to further explain Generation Z's investment intentions in the Sharia capital market.

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