THE INFLUENCE OF FINANCIAL LITERACY, FINTECH ADOPTION, AND INVESTMENT PREFERENCES ON THE INVESTMENT BEHAVIOR OF MILLENNIALS IN JAKARTA IN THE DIGITAL BANKING ERA

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ABSTRAK

Penelitian ini menguji pengaruh literasi keuangan, adopsi fintech, dan preferensi investasi terhadap perilaku investasi kaum milenial di Jakarta pada era perbankan digital. Dengan menggunakan desain penelitian kuantitatif, data dikumpulkan dari 150 responden dengan menggunakan kuesioner terstruktur berdasarkan skala Likert (1-5). Data Data dianalisis menggunakan Structural Equation Modeling-Partial Least Squares (SEM-PLS) untuk mengevaluasi model pengukuran dan model struktural. Hasilnya mengungkapkan bahwa literasi keuangan, adopsi tekfin, dan preferensi investasi secara positif dan signifikan mempengaruhi perilaku investasi. Di antara faktor-faktor tersebut faktor-faktor tersebut, adopsi tekfin memberikan dampak paling besar, menggarisbawahi peran transformatif teknologi dalam membentuk keputusan investasi. Temuan-temuan menyarankan agar lembaga keuangan dan pembuat kebijakan memprioritaskan inisiatif literasi keuangan, mendorong inovasi tekfin, dan mengembangkan strategi investasi yang dipersonalisasi untuk memberdayakan investor milenial. Studi ini berkontribusi pada literatur yang terus berkembang tentang perilaku keuangan milenial, dan menawarkan wawasan yang dapat ditindaklanjuti bagi para pemangku kepentingan di sektor keuangan.
Kata kunci: Literasi Keuangan, Adopsi Fintech, Preferensi Investasi, Perilaku Investasi, Era Perbankan Digital

ABSTRACT

This study examines the influence of financial literacy, fintech adoption, and investment preferences on the investment behavior of millennials in Jakarta during the digital banking era. Employing a quantitative research design, data were collected from 150 respondents using a structured questionnaire based on a Likert scale (1-5). The data were analyzed using Structural Equation Modeling-Partial Least Squares (SEM-PLS) to evaluate both the measurement and structural models. The results reveal that financial literacy, fintech adoption, and investment preferences positively and significantly influence investment behavior. Among these factors, fintech adoption exerts the most substantial impact, underscoring the transformative role of technology in shaping investment decisions. The findings suggest that financial institutions and policymakers should prioritize financial literacy initiatives, foster fintech innovation, and develop personalized investment strategies to empower millennial investors. This study contributes to the growing body of literature on millennial financial behavior, offering actionable insights for stakeholders in the financial sector.
Key words: Financial Literacy, Fintech Adoption, Investment Preferences, Investment Behavior, Digital Banking Era.

INTRODUCTION

The rapid advancement of technology has significantly transformed the financial sector, creating a digital banking ecosystem that reshapes traditional investment behavior, particularly among millennials who constitute a major portion of Indonesia's workforce. In Jakarta, this tech-savy and economically active demographic has increasingly adopted financial technology (fintech) platforms and digital tools for managing their finances and investments (Mulia & Wardhani, 2024). While these elements encourage digital banking and investment practices, investment willingness itself is shaped by a combination of financial literacy, exposure to social media, and risk perception, although none of these factors individually predict actual investment behavior (Amelia & Amal, 2024). In parallel, the issue of fraud in fintech necessitates ongoing technological improvements, financial education, and regulatory oversight to ensure a secure digital investment environment (Amelia & Amal, 2024). Furthermore, studies show a positive correlation between financial literacy and financial satisfaction among millennials using digital wallets in Jakarta, whereas financial stress and risk tolerance appear to have no significant effect on satisfaction levels (Amalia & Kurnianti, 2023; Riswandi & Zulfikri, 2024).

In this digital era, financial literacy has emerged as a critical factor influencing individual financial decision-making, equipping individuals with the knowledge and skills necessary to make informed investment choices, manage risks, and achieve financial goals (Ahamed, 2025; Chusumastuti et al., 2023). Despite the growing accessibility of financial services through fintech platforms, many millennials still lack a comprehensive understanding of financial concepts, which may hinder their ability to fully leverage digital financial tools and make sound investment decisions (Ratna Komala & Maryati, 2022). This gap is influenced by multiple factors, including education, cognitive biases—such as overconfidence and present bias—and the inherent complexity of financial products (Ahamed, 2025). Millennials often exhibit moderate fintech literacy with varying proficiency across different digital financial technologies (Khan et al., 2023). In this context, digital financial literacy becomes essential for navigating online financial platforms and mitigating cybersecurity risks, especially as the gig economy and fintech innovations reshape the financial landscape (Choung et al., 2023). Improving financial literacy requires strategic educational interventions that not only address basic concepts but also introduce advanced topics like machine learning and blockchain, thereby enhancing digital competence (Khan et al., 2023). Furthermore, collaborative efforts involving governments, financial institutions, and society are necessary to promote a more equitable and sustainable financial literacy framework for millennials and future generations (Adiandari, 2023; Zulfikri & Iskandar, 2022).

Fintech adoption is a significant driving force reshaping investment behavior, especially among millennials in urban centers like Jakarta. Innovations such as mobile applications, robo-advisors, and peer-to-peer lending platforms have democratized access to investment opportunities by offering convenient and personalized financial solutions. These technologies empower millennials to participate more actively in investment activities, reflecting a broader shift toward digital finance. However, the extent to which fintech adoption truly influences investment behavior remains a multifaceted issue, requiring deeper exploration within the socio-economic dynamics of Jakarta. Financial knowledge and trust play a crucial role in this adoption process, as millennials are more likely to engage with fintech services when they possess sufficient financial understanding and trust in the platform (Hosen et al., 2023). Technological readiness, driven by performance expectations and social influence, further accelerates the integration of digital investments (Mulia & Wardhani, 2024; Susanto et al., 2025). Meanwhile, behavioral finance aspects—such as the influence of robo-advisors and social trading tools—can both support and challenge investment behavior by reducing biases like overconfidence, while also potentially fostering over-reliance on technology (Jing & Liu, 2024).

Alongside fintech adoption, millennials' investment preferences—particularly their risk tolerance and portfolio choices—play a critical role in shaping overall investment behavior. These preferences are closely tied to their financial goals, values, and comfort with market fluctuations, making fintech platforms appealing due to their ability to offer diverse and customizable investment options (Kartika et al., 2023). The democratization of investment opportunities facilitated by fintech has enabled broader participation across various income and educational backgrounds, especially in metropolitan areas like Jakarta where access to traditional financial institutions may be more limited (Jing & Liu, 2024). Understanding these behavioral and preference-based nuances is essential for financial institutions and fintech providers aiming to design investment products that resonate with the millennial demographic. In this context, the present study aims to investigate the combined influence of financial literacy, fintech adoption, and investment preferences on the investment behavior of millennials in Jakarta.

LITERATURE REVIEW AND HYPOTHESIS

Financial Literacy and Investment Behavior

Financial literacy is a crucial determinant of sound financial decision-making, as it equips individuals with the necessary skills to manage personal finances, budget effectively, and make informed investment decisions. The relationship between financial literacy and investment behavior is well-documented, with higher literacy levels correlating with more active and diversified investment practices, particularly among young adults, where enhanced financial knowledge leads to better risk management and improved financial outcomes. Financial literacy significantly influences investment decisions by enhancing individuals' understanding of risks and opportunities, enabling them to make more disciplined and strategic investment choices (Sholika & Zaki, 2024). Among younger demographics, it fosters the ability to overcome barriers posed by limited financial knowledge, promoting more informed investment behaviors (Malaiya et al., 2024). Beyond individual benefits, financial literacy contributes to broader community and economic well-being; in rural areas, for instance, it has been linked to improved saving habits, responsible borrowing, and greater investment in local enterprises (Suryani & Novebri, 2025). Moreover, financial literacy underpins effective personal financial management by empowering individuals to control income, savings, expenditures, and investments, which is essential for achieving long-term financial goals and ensuring economic resilience (Lakshmi & Bharathi, 2023).

H1: Financial literacy has a positive and significant influence on the investment behavior of millennials in Jakarta.

Fintech Adoption and Investment Behavior

The rise of financial technology (fintech) has transformed the financial sector by making investing more accessible, convenient, and cost-effective through innovations like mobile apps, robo-advisors, and blockchain. These tools offer user-friendly interfaces and personalized recommendations, democratizing investment opportunities and promoting financial inclusion (Güleç et al., 2024; Kubińska et al., 2023). The Technology Acceptance Model (TAM) by Davis (1989) explains fintech adoption through perceived ease of use and usefulness—key factors influencing users to adopt fintech in financial activities. Research shows fintech adoption significantly boosts digital investment participation, especially among younger, tech-savvy generations (JIE, 2024; Mansyur et al., 2023). These platforms reduce service costs, enhance financial planning, and support informed decision-making. Mobile and digital platforms also bypass traditional barriers, increasing financial literacy and inclusion (JIE, 2024). The fintech sector is expected to grow rapidly, potentially reaching $1.5 trillion by 2030, driven by AI, digital banking, and robo-advisors (Güleç et al., 2024). Additionally, fintech serves as a catalyst for economic growth, attracting global investment and reshaping traditional financial ecosystems (Mhlanga, 2023).

H2: Fintech adoption has a positive and significant influence on the investment behavior of millennials in Jakarta.

Investment Preferences and Investment Behavior

Investment preferences significantly influence individual investment behavior, shaped by factors such as risk tolerance, financial goals, and prior experiences. Markowitz's Modern Portfolio Theory emphasizes aligning these preferences with the risk-return trade-off to optimize portfolio performance. Millennials often favor investments that align with their values, including socially responsible options. Risk tolerance plays a central role in determining suitable financial instruments—those with higher risk tolerance tend to invest in stocks, while more risk-averse individuals prefer stable instruments like bonds (Liu et al., 2025). The Risk Tolerance Questionnaire (RTQ) supports this, revealing a direct correlation between risk appetite and portfolio choices (Corter & Chen, 2006). Behavioral finance adds psychological dimensions, identifying factors like overconfidence and loss aversion as significant influences, especially under market volatility and economic fluctuations (Cai, 2025) Investors often employ advanced risk measures such as semi-variance to better assess risks in stock investments (Veld & Veld-Merkoulova, 2006). Moreover, experience in financial markets enhances risk-taking capacity, indicating that seasoned investors tend to manage higher-risk portfolios more confidently (Corter & Chen, 2006). In contrast, sociodemographic variables—such as gender, age, and education—exert less influence on portfolio allocations compared to personal risk attitudes and financial experience (Baláž, 2021).

H3: Investment preferences have a positive and significant influence on the investment behavior of millennials in Jakarta.

Mediating Role of Investment Preferences

Fintech platforms have significantly influenced investment behavior by aligning with millennials' investment preferences, offering tools tailored to their financial goals and risk appetites through diversified portfolios and thematic investment options, thereby enhancing user engagement and decision-making. The availability of customized investment services via fintech strengthens the relationship between technology adoption and investment behavior, mediated by factors such as investor sophistication, personalization, and evolving generational preferences. Sophisticated investors, in particular, benefit from fintech tools that support informed decision-making and optimized portfolios, though the gap with less experienced investors narrows when access and usability are equitable (Chen, 2022). Fintech platforms utilize algorithms to design individualized portfolios based on users' risk profiles and financial opportunities, with real-time feedback and analysis enhancing alignment with user needs (MARCHEV & MARCHEV, 2023). New-generation investors, including millennials and Gen Z, show a strong preference for speculative assets and digital platforms that reflect their values, such as ESG factors and decentralized finance (Auckarakhun et al., 2024). The rise of AI and digital interfaces increases accessibility and personalization, reshaping how investments are approached. Furthermore, behavioral finance plays a key role in mediating fintech adoption and investment intentions, where financial experience and risk perception shape how millennials and Gen Z utilize digital platforms, which in turn offer convenience and real-time decision support (Srivastav et al., n.d.; Widyaningsih et al., 2024).

H4: Investment preferences mediate the relationship between fintech adoption and the investment behavior of millennials in Jakarta.

RESEARCH METHODS

This study adopts a quantitative research design to examine the relationships between financial literacy, fintech adoption, investment preferences, and investment behavior among millennials in Jakarta. A cross-sectional approach was employed, collecting data at a single point in time to analyze the influence of the predictor variables on the dependent variable. The population targeted in this study comprises millennials residing in Jakarta who are active or potential investors and have experience using fintech platforms for financial activities. A purposive sampling technique was applied to ensure the inclusion of respondents who meet the criteria of being within the millennial age group (defined as individuals born between 1981 and 1996) and having basic exposure to digital banking and investment platforms. The final sample size consists of 150 respondents, which satisfies the minimum requirement for Structural Equation Modeling-Partial Least Squares (SEM-PLS), as recommended by Hair et al. (2017). Data were collected using a structured questionnaire with items rated on a 5-point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree). Each item was adapted from previously validated instruments to ensure relevance and reliability. The questionnaire was divided into five sections: demographic information (gender, age, education, employment status, and income), financial literacy (adapted from Lusardi and Mitchell, 2011), fintech adoption (based on Davis's Technology Acceptance Model, 1989), investment preferences (covering risk tolerance, financial goals, and portfolio choices), and investment behavior (capturing investment frequency, diversification, and strategies).

Data analysis was conducted using SEM-PLS with the SmartPLS 3 software, chosen for its ability to handle complex models with multiple constructs and smaller sample sizes. The analysis followed a two-step process. First, the measurement model was assessed to evaluate the reliability and validity of the constructs. Reliability was measured using Cronbach's alpha and composite reliability (CR), while construct validity was assessed through Average Variance Extracted (AVE) and individual factor loadings. Second, the structural model was evaluated to test the research hypotheses by analyzing path coefficients, t-values, and significance levels. A bootstrapping procedure with 5,000 subsamples was employed to determine the statistical significance of both direct and indirect effects, providing a robust assessment of the proposed relationships among the study variables.

RESULTS AND DISCUSSION

Demographic Profile of Respondents

The demographic profile of the 150 respondents provides valuable insights into the characteristics of millennials in Jakarta who actively engage in investment activities.

In terms of gender, 44% (66 respondents) are male and 56% (84 respondents) are female, indicating a slightly higher participation of women in financial and investment activities. The age distribution shows that the majority of respondents (65%) are between 26–30 years old, followed by 25% aged 20–25 years, and 10% aged 31–35 years, highlighting the dominance of mid-millennials in the investment landscape. Educationally, 70% hold a bachelor's degree, 20% a master's degree or higher, and 10% a high school diploma, suggesting that higher education may play a role in enhancing financial awareness and investment participation. Regarding employment, 68% are employed full-time, 20% are self-employed or entrepreneurs, and 12% fall under other categories such as part-time workers or students, with full-time employment potentially contributing to more stable investment capacity. Monthly income levels reveal that 60% earn between IDR 5,000,000 and IDR 10,000,000, 30% earn below IDR 5,000,000, and 10% earn above IDR 10,000,000, representing a predominantly middle-income demographic. In terms of investment experience, 50% have been investing for 1–3 years, 30% for more than 3 years, and 20% for less than a year, indicating a growing trend of millennials becoming increasingly involved in investment activities in recent years.

Outer Model Evaluation

The outer model evaluation assesses the reliability and validity of the measurement model to ensure the constructs and indicators used in this study are suitable for further analysis.

Reliability Analysis

Composite Reliability (CR) and Cronbach's Alpha values were used to assess the reliability of the constructs, with a threshold of 0.70 or higher applied as the standard. The results show that Financial Literacy has a Cronbach's Alpha of 0.852 and a CR of 0.905, Fintech Adoption has values of 0.811 and 0.876, Investment Preferences scored 0.783 and 0.861, and Investment Behavior recorded 0.834 and 0.902, respectively. All constructs exceed the minimum threshold, confirming that each variable demonstrates adequate internal consistency and reliability.

Convergent Validity

Convergent validity was assessed using Average Variance Extracted (AVE), with a threshold of 0.5 or higher considered acceptable. The results indicate that Financial Literacy has an AVE of 0.658, Fintech Adoption 0.623, Investment Preferences 0.598, and Investment Behavior 0.672. Since all constructs meet or exceed the 0.5 threshold, this confirms that the indicators for each construct converge well and effectively represent their respective latent variables.

Indicator Loadings

Indicator loadings were examined to assess the contribution of individual items to their respective constructs. A threshold of 0.70 or higher was used.

Table 1. Loading Factor

Construct	Indicator	Loading	Threshold
Financial Literacy	FL1	0.789	≥ 0.7
	FL2	0.812	≥ 0.7
	FL3	0.831	≥ 0.7
Fintech Adoption	FA1	0.746	≥ 0.7
	FA2	0.821	≥ 0.7
	FA3	0.803	≥ 0.7

Investment Preferences	IP1	0.718	≥ 0.7
	IP2	0.789	≥ 0.7
	IP3	0.752	≥ 0.7
Investment Behavior	IB1	0.832	≥ 0.7
	IB2	0.804	≥ 0.7
	IB3	0.791	≥ 0.7

Source: Data Processed Author (2025)

All indicators have loadings above 0.7, confirming their strong representation of the respective constructs.

Discriminant Validity

Discriminant validity was tested using the Fornell-Larcker criterion, ensuring that the square root of AVE for each construct is higher than its correlations with other constructs.

Table 2. Discriminant Validity

Construct	Financial Literacy	Fintech Adoption	Investment Preferences	Investment Behavior
Financial Literacy	0.811	0.423	0.462	0.498
Fintech Adoption	0.423	0.789	0.524	0.549
Investment Preferences	0.462	0.524	0.774	0.582
Investment Behavior	0.498	0.549	0.582	0.819

Source: Data Processed Author (2025)

Diagonal values (square roots of AVE) are greater than the off-diagonal correlations, confirming discriminant validity.

Inner Model Evaluation

Coefficient of Determination (R^2)

R^2 values represent the proportion of variance in an endogenous construct explained by its predictors, with values above 0.67 considered substantial, between 0.33 and 0.67 moderate, and between 0.19 and 0.33 weak. In this study, the R^2 value for Investment Behavior is 0.643, indicating moderate explanatory power. This suggests that 64.3% of the variance in Investment Behavior can be explained by the combined influence of Financial Literacy, Fintech Adoption, and Investment Preferences.

Predictive Relevance (Q^2)

Q^2 values, derived from the blindfolding procedure, indicate the model's predictive relevance for a given construct, with values greater than 0 suggesting meaningful predictive capability. In this study, the Q^2 value for Investment Behavior is 0.456, which confirms that the model possesses high predictive relevance in explaining and forecasting variations in Investment Behavior.

Path Coefficients and Hypothesis Testing

Path coefficients represent the strength and direction of relationships between constructs. Significance is tested using t-values and p-values, with a threshold of $t > 1.96$ at a 95% confidence level ($p < 0.05$).

Table 3. Hypothesis Testing

Hypothesis	**Path**	**Coefficient (β)**	**t-Value**	**p-Value**	**Significance**
H1	Financial Literacy → Investment Behavior	0.312	4.187	< 0.001	Significant
H2	Fintech Adoption → Investment Behavior	0.421	5.732	< 0.001	Significant
H3	Investment Preferences → Investment Behavior	0.274	3.458	< 0.001	Significant

Source: Data Processed Author (2025)

All path coefficients in the model are positive and statistically significant, indicating that Financial Literacy, Fintech Adoption, and Investment Preferences positively influence Investment Behavior among millennials in Jakarta. The results show that Financial Literacy has a significant positive effect on Investment Behavior ($\beta = 0.312$, $t = 4.187$, $p < 0.001$), confirming that greater financial knowledge leads to more informed and proactive investment practices. Fintech Adoption exhibits the strongest influence ($\beta = 0.421$, $t = 5.732$, $p < 0.001$), highlighting the role of accessible, real-time, and personalized digital tools in enhancing millennials' engagement with investment activities. Investment Preferences also significantly affect Investment Behavior ($\beta = 0.274$, $t = 3.458$, $p < 0.001$), suggesting that individual factors such as risk tolerance and financial goals are essential in determining how millennials approach and manage their investments. These findings collectively support the model and underscore the importance of financial knowledge, technology adoption, and personal preferences in shaping millennial investment behavior.

Effect Sizes (f^2)

Effect sizes (f^2) measure the impact of an exogenous construct on an endogenous construct. Values of 0.02, 0.15, and 0.35 represent small, medium, and large effects, respectively.

Table 4. Effect Sizes

Path	f^2	Effect Size
Financial Literacy → Investment Behavior	0.128	Small-to-Medium
Fintech Adoption → Investment Behavior	0.245	Medium
Investment Preferences → Investment Behavior	0.091	Small

Source: Data Processed Author (2025)

The results show that Fintech Adoption has the largest impact, followed by Financial Literacy and Investment Preferences.

Discussion

Financial Literacy and Investment Behavior

The study confirms a significant positive relationship between financial literacy and investment behavior, supporting previous findings that financially literate individuals are better equipped to make informed investment decisions, manage risks effectively, and achieve long-term financial goals. Millennials with higher financial literacy tend to engage in proactive investment behaviors such as saving for retirement and diversifying their portfolios, as they possess a stronger understanding of investment products and associated risks, leading to more informed decisions (Bagama, 2024). In the capital market context, this relationship is particularly evident, with statistical analyses showing that financial literacy significantly enhances investors' ability to navigate complex market dynamics (Jaya et al., 2024). Furthermore, among university students, financial literacy has been found to moderately influence investment decisions, underscoring the importance of integrating financial education into early adulthood to shape sound financial behaviors (Nugraha et al., 2022). Similar findings in Saudi Arabia emphasize the role of financial education programs in empowering individuals to make informed choices and avoid financial missteps (Uddin et al., 2024).

Beyond knowledge, financial behavior also plays a critical role in shaping investment decisions. Studies show that familiarity with financial products and consistent financial practices are key indicators of effective investment outcomes (Mirosea & Hajar, 2023). Millennials with higher financial literacy not only understand the nuances of various investment instruments but are also more likely to diversify their portfolios and optimize returns. This highlights the essential need for targeted financial literacy programs, particularly for young investors, to boost both their confidence and capability in managing complex and evolving financial environments. By fostering strong financial behavior alongside knowledge, these programs can enhance millennials' ability to make strategic investment decisions and contribute to long-term financial stability.

Fintech Adoption and Investment Behavior

Fintech adoption emerged as the most significant predictor of investment behavior, underscoring the transformative impact of financial technology on modern investment practices. Digital platforms offer millennials convenient access to a wide array of investment products, real-time data, and analytical tools, empowering them to make faster and more informed decisions. This aligns with existing literature that emphasizes fintech's role in lowering entry barriers and democratizing access to financial markets. Millennials, as digital natives, are particularly receptive to fintech innovations, benefiting from features that enhance both user experience and decision-making accuracy. For fintech companies, this finding highlights the importance of continuing to innovate user-friendly interfaces and strengthening data security to build user trust. Likewise, policymakers play a vital role in supporting the sector's growth by developing regulatory frameworks that foster innovation while ensuring adequate consumer protection.

Several key factors influence fintech adoption, particularly among millennials. Financial knowledge and trust are the most critical predictors, suggesting that enhancing financial literacy and maintaining platform credibility are essential for engaging this demographic (Hosen et al., 2023). Technological advancements—such as AI, blockchain, and mobile payments—have reshaped the financial landscape and driven significant revenue growth and customer engagement for fintech firms, especially in Asia and North America (Ramadugu & Doddipatla, 2022). In investment banking and capital markets, fintech tools like AI-powered analytics and robo-advisors have democratized access to financial advice and increased market transparency (Alshari & Lokhande, 2023) . However, challenges persist, particularly regarding regulatory compliance and data security. These concerns highlight the need for adaptive and forward-looking regulatory frameworks that strike a balance between enabling innovation and safeguarding consumer interests, ensuring that fintech continues to drive inclusive and sustainable growth in the financial sector (Ramadugu & Doddipatla, 2022; Saivasan & Lokhande, 2023)

Investment Preferences and Investment Behavior

Investment preferences were found to have a positive and significant influence on investment behavior, indicating that millennials' decisions regarding risk tolerance, investment horizon, and preferred asset classes play a vital role in shaping their investment patterns. These preferences are influenced by their unique financial circumstances, psychological traits, and generational values, distinguishing them from earlier cohorts. As a result, investment platforms and financial advisors must develop personalized strategies that reflect these preferences to increase engagement and satisfaction. Tools that help assess individual risk tolerance and platforms offering a variety of tailored investment options—such as diversified portfolios or socially responsible investments—can encourage more active participation among millennial investors. Personalized financial services are particularly important for this demographic, who value control, customization, and alignment with their long-term financial goals.

Supporting this, research shows that millennials with higher risk tolerance tend to accumulate more assets across categories such as real estate and financial instruments (Daehwan & Lee, 2024). Although many exhibit risk aversion, millennials are at an ideal life stage to begin investing, making it essential to address their concerns through accessible and adaptive investment strategies (Hooker, 2017). Personalized investment portfolios that consider behavioral traits and decision-making styles—such as impulsiveness and novelty-seeking—can optimize asset allocation and enhance satisfaction (Maria, 2019; N. Mahalakshmi & Munuswamy, 2022). Furthermore, factors like occupation and income significantly influence millennials' investment preferences, with common avenues including stocks, mutual funds, and real estate (Karanam & R, 2019). Given these dynamics, financial institutions may need to rethink their strategies to better accommodate millennials' evolving expectations and behaviors in order to foster long-term investor relationships (Hooker, 2017).

Practical Implications

Financial institutions, policymakers, and millennials each have distinct but complementary roles in fostering effective investment behavior. For financial institutions such as banks and investment firms, it is essential to enhance educational initiatives, utilize fintech to streamline investment processes, and offer personalized financial advice to attract and retain millennial investors. Policymakers should prioritize policies that support fintech innovation and promote financial literacy to ensure that digital financial tools are accessible, inclusive, and capable of encouraging widespread participation in investment activities. Meanwhile, millennials themselves must cultivate personal financial literacy, make effective use of fintech platforms, and align their investments with their individual preferences to achieve long-term and sustainable financial growth.

CONCLUSION

This study investigates the influence of financial literacy, fintech adoption, and investment preferences on the investment behavior of millennials in Jakarta during the digital banking era. The findings reveal that all three factors significantly shape investment behavior, with fintech adoption standing out as the most influential predictor. Financial literacy equips millennials with the knowledge to make informed and strategic investment choices, emphasizing the need for continuous financial education. Meanwhile, fintech adoption transforms the investment landscape by offering easy access to tools and real-time data, thereby enhancing participation among tech-savvy millennials. Additionally, investment preferences are essential in aligning financial decisions with personal goals and risk tolerance, highlighting the value of personalization in financial services.

The results of this study underscore the need for collaboration among financial institutions, fintech providers, and policymakers to foster an ecosystem that supports financial literacy, embraces digital tools, and accommodates diverse investor preferences. Such synergy can enhance millennial engagement in financial markets and contribute to long-term economic sustainability. By demonstrating the interplay between technological innovation, individual financial capability, and personal preferences, this study adds to the growing literature on investment behavior in the digital era. Future research may broaden the analysis to include other demographic segments or examine additional variables influencing investment behavior

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