

ABSTRACT

The objective of this investigation is to investigate the impact of risk tolerance on investment decisions with respect to generational levels, specifically Baby Boomers, Generation X, Y, and Z, in DKI Jakarta. The significance of comprehending investment behavior in the context of global economic uncertainty and the growing public interest in investment activities serves as the foundation of this research. The research location was selected at DKI Jakarta due to its status as the national economic hub that reflects cross-generational financial behavior trends.

This investigation employs the Conditional Process Analysis method, which IBM SPSS 27 analyzes. Questionnaires were distributed to respondents from each generational group to gather data. The direct influence between investment decisions and risk tolerance was evaluated using the linear regression analysis technique. The research findings indicate that (1) risk tolerance has a substantial influence on investment decisions as a whole; (2) individuals with a high level of risk tolerance are more likely to engage in aggressive investment behavior by selecting high-risk instruments.

Additionally, the Baby Boomer and Generation X cohorts exhibit a preference for conservative instruments, including deposits and bonds, which is indicative of a cautious investment strategy. In contrast, Generation Y and Z are more receptive to high-risk assets, including equities, mutual funds, and other digital investment platforms. In addition to generational factors, research also demonstrates that age group, income, and investment experience moderate the relationship between risk tolerance and investment decisions. These results underscore the fact that financial behavior is not solely influenced by an individual's risk tolerance but also by their financial capacity and life cycle.
Keywords: Financial Behavior, Generation, Investment Decisions, Risk Tolerance, DKI Jakarta.