

## Basic Investment for Gen Z in Jakarta “Developing a Better Investor”

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**Abstract:** Investment is a commitment to a number of funds or other resources that someone does at this time with the aim of obtaining a number of benefits in the future. There is a phenomenon of increasing number of Generation Z investors in Indonesia who are more influenced by social media. Based on the existing phenomenon, sharing of basic investment materials to grade 11 students of SMA Negeri 109 was carried out to increase literacy and be able to identify suitable investments for Generation Z so that they can do their personal financial planning as early as possible. The material is associated with the Economics subjects that are being pursued by grade 11 students. The method carried out uses material presentation and direct discussion about basic investment, with the result of this community service activity is that school students feel satisfied with the activities, they can increase their knowledge from these activities, and feel the need for further activities regarding advance investment.

**Keywords:** Basic investment, Generation Z, High School, Students

## 1. Introduction

The younger generation need to be more aware in protecting their current assets from their wealth value decline caused by inflation. In addition to inflation and increasing asset values, the younger generation can make investments to accelerate their financial goals. Meanwhile, according to data from the Ministry of Home Affairs (Kemendagri), the number of generation Z population aged 10-24 years has reach 68,662,815 people or 27.94% until December 31, 2021 (Katadata). Based on the results of Ferli & Nursanti's research (2018), the financial literacy of the younger generation in Jakarta still looks low and they are not used to budgeting.

According to Tandelilin (2017), investment is a form of commitment of a sum of money or other resources carried out now with the hope of future benefits. Investment is an investment activity with the hope that capital owners will benefit from the results of their investment in the future.

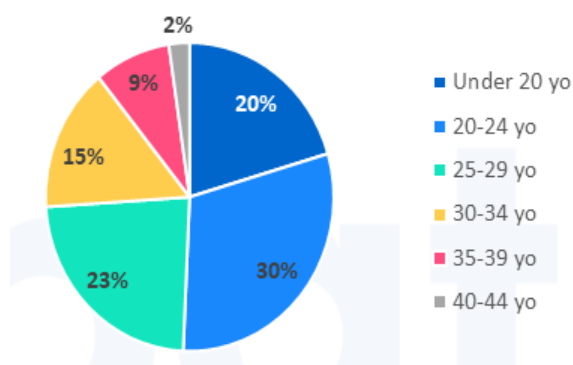
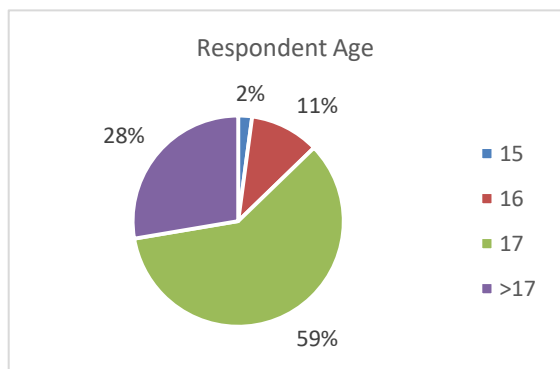


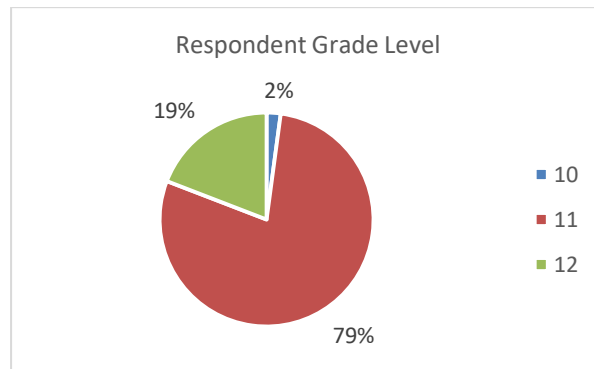
Figure 1. Average Investment Knowledge Base on Investor Age

Source: Jakpat 2022 (*blog.jakpat.net*)

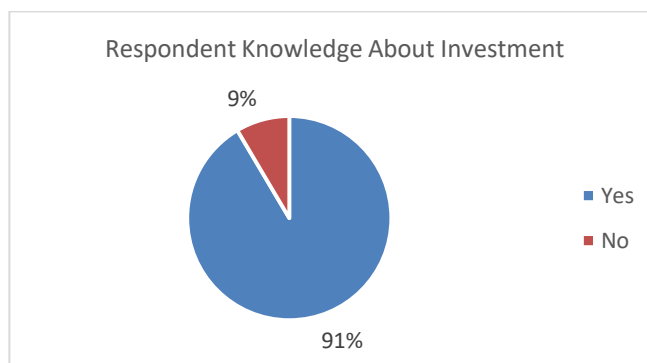
Based on Figure 1, it shows that knowledge about investments made by people under 20 years old is twenty percent. Where it shows a small number to start investing from a young age. Quoted from the results of a survey conducted through the Katadata website (katadata.co.id), 85% of the younger generation is not financially healthy. As many as 46% of young people say they already have financial planning, but only 16% have an emergency fund. Furthermore, there are 86% who claim to save regularly but in fact there are still 43% who borrow money from family and friends. The financial literacy index of the younger generation in Indonesia only has a score of 37.72. The score shown is still far compared to the ideal financial health score of 75.



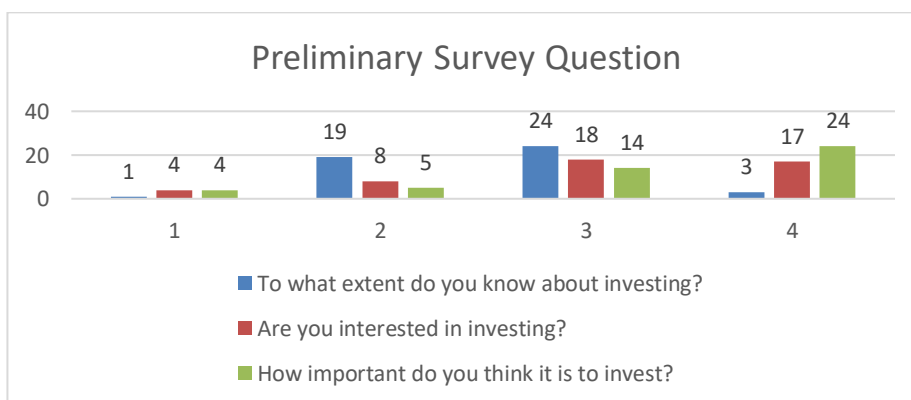
**Figure 2. Age Range of Respondents**  
Source: Data Processing Results



**Figure 3. Respondent's High School Grade Level**  
Source: Data Processing Results



**Figure 4. Respondents' Knowledge About Investment**  
Source: Data Processing Result



**Figure 5. Preliminary Survey Question**  
Source: Data Processing Result

Description: 1 Disagree, 2 Quite Agree, 3 Agree, 4 Strongly Agree

Before community service activities, an initial survey was conducted to determine the profile and investment preferences of high school students. The preliminary survey results show, as can be seen in Figure 2 to Figure 4, showing the age range of respondents consisting of 59% of 17 years old, and the rest consisting of 15 and 16 ages and more than 17 years old. In addition, it can be seen that 79% are in the 11th grade of high school. Based on Figure 5, 40.4% of students feel they know enough about investment and 51.1% of students feel they know about investment. There are 38.3% of students interested in investing and 36.2% of students are very interested in investing. 29.8% of students feel investment is important and 51.1% feel investment is very important.

There are several reasons why high school students are interested in investing, it can be concluded that high school students are interested because investments are important for the long term such as saving for the future, getting profits in the future, and to meet the needs of life in the future. As for those who say "By investing early can protect the value of assets from inflation which causes a decrease in the purchasing power of money owned" therefore the earlier you invest, the better prepared you are to face risks that will arise in the future or in the future.

Based on the existing phenomenon and the results of the initial survey that has been conducted, it is necessary to carry out an investment literacy education program for students of SMA Negeri 109 Jakarta with the theme, "Basic Investment for High School Students". From this activity, with a target of 30 high school student, it is expected to provide basic knowledge to SMA Negeri 109 students regarding investment in the capital market and be able to manage their finances from a fairly early age. Students can also implement it in real time to make better investments decision.

### **Activity Goals**

Community service activities will be carried out on students of SMA Negeri 109 Jakarta with an average age range of 15-18 years. With the problem, they only know enough what investment is, but not in depth. Then this activity will be carried out by:

1. Delivering basic investment material to Gen Z, especially high school students about investment.
2. Contribute to improving financial literacy in Gen Z, especially high school students.

### **The Problem to Be Solved**

Some of the problems to be solved from holding Community Service activities with the target participants are students of SMA Negeri 109 are investment inhibiting factors for high school students such as unable to find the type of investment that is suitable for students and the circulation of fraudulent investment that occurs very viral. High school students still do not have much knowledge about investment, so it is expected to increase financial literacy, especially regarding investment for students of SMA Negeri 109 Jakarta. We aim to share the investment knowledge for the rest of the high school as young investors in Indonesia.

## **METHODOLOGY**

### **Material to be Delivered**

The first material that will be delivered is about high school children belong to Generation Z and will be presented characters inherent in Generation Z

Then it will be explained about the understanding or definition of investment and the difference between investment and savings. Investment itself is a commitment to a number of funds or other resources carried out at this time with the aim of obtaining a number of benefits in the future, for example such as stock investment with the hope of return or profit from rising stock prices or dividend distribution. Another example in general investment is investing time sacrificed in the present to learn and be able to implement the knowledge gained in

the future when it has entered a wider realm.

The next stage will be described the advantages and disadvantages of investing to be done. Like what risks will be obtained when someone will invest in one of the products in the capital market. For example, someone will put some funds in mutual funds, then what kind of benefits are obtained and disadvantages of investing in mutual funds is to get a small return and only for the short term.

And will be given a presentation on the vigilance of students against fraudulent investments that are widely circulated in the community. There will be a case of one well-known influencer who is entangled in a fraudulent investment application case. Then education will be given in the selection of applications that are in accordance with the standards of the Financial Services Authority which is guaranteed safe to make initial investments in accordance with the character of Generation Z.

Followed by a Question & Answer Session, which will be asked how many investment products have sounded quite common for high school children. You can also give advice to high school kids on products that are suitable to do with some money you currently have.

A small survey will be made at the end of the material presentation session regarding the extent to which high school children to invest after being given material presentation on investment. This includes the reasons they are interested in investing. And they will fill in whether the method of material presentation is interesting to them and the feedback will be used as evaluation material.

### Location and Participants

This activity will be held at SMA Negeri 109 Jakarta with participants who are grade 11 students at the school. The implementation of this community service activity will be held on Monday, 8th of May 2023 at 13.00 – 15.00 WIB. Implementation Procedure

The initial stage carried out was an initial discussion about making material to be delivered to students of SMA Negeri 109 Jakarta together with supervisors. The analysis of participants was carried out based on the results of the initial survey given before coming to make a presentation. High school student population in SMA Negeri 109 Jakarta will be given a google form link to fill out a survey about their profile and questions about investment knowledge and preference.

Then for the presentation to SMA Negeri 109 Jakarta, it began with confirmation to the school of availability to be used as a place for activities by giving a formal cover letter. Then determine the date of the implementation of the activity of providing material to the participants of the activity. Confirmation will be carried out again to inform that on the specified date and time the activity will be carried out.

The implementation of the activity is located at SMA Negeri 109 Jakarta on May 8, 2023 with accommodation using a car from STIE Indonesia Banking School as a means of transportation to the location of community service activities.

Surveys will also be given during material presentation sessions on what investment products are already known among high school children. There will also be a final survey on the evaluation of activities and how interested high school students will be in investment. At the end of the session, a google form link will also be given back as an output that has been obtained for the students and will also be filled with an evaluation of activities. To get feedback as material for evaluating activities, such as whether there is material that is not suitable for students or how to deliver an advance material.

Table 1. Community Service Program Effectiveness Measurement Indicators

No.	Indicators
1	Participants who participated in the activity consisted of at least 25 participants.
2	Minimum of 70% participants in the activity feel that they have understood the investment with the exposure that has been done by members.
3	Minimum of 50% of participants in the activity are interested in advance investment material.

## RESULTS AND OUTPUTS

### Implementation of Activities

The implementation of community service by providing basic investment materials for students of SMA Negeri 109 Jakarta has been carried out according to plan, namely on Monday, May 8, 2023. The activity was carried out at SMA Negeri 109 precisely for grades 11 students which was attended by the participants of the class who took economics specialization subjects totaling 39 people. Activity posters that have been distributed as activity information can be seen in Figure 6.



Figure 6. Poster Event

Source: Personal Documentation

### Activity Implementation



Figure 7. Provision of Basic Investment Material for Students of SMA Negeri 109

Source: Personal Documentation

The provision of material was held on the grounds that Basic Investment material was considered important enough for high school students to increase students' literacy about investment.

The first material presented was the classification of high school students included in Generation Z with some characteristics of Generation Z conducted by several studies that suit them. Like Generation Z can be referred to as "Tech Savvy" which means Gen Z can get almost everything they want easily and any information can be obtained through gadgets connected to the internet. Gen Z belongs to a generation that can appreciate differences because it upholds tolerance, pluralism, and justice. Generation Z is prone to depression by tending to compare themselves, feel less updated, and rely heavily on social networks.

The second material presented is about the understanding of investment, namely investment is a commitment to a number of funds or other resources that someone does at this time with the aim of obtaining a number of benefits in the future. Continued with the difference in investment with saving. Reporting from the Financial Services Authority website, investment is developing money owned to make a profit, requires time to disburse funds, and has the concept of high-risk high return (loss proportional to the expected return). While saving is setting aside money for short-term needs and emergency funds, can be taken at any time, and the returns are certain and relatively low and low risk.

The third material is the importance of investing for the future for Generation Z and myths about investing. The importance of investing is like increasing sources of income, by investing Generation Z has the opportunity to earn additional income from increasing the assets invested. For example, when buying mutual funds or bond products, Generation Z can get returns that are received periodically and in the long term. The amount of profit received depends on the market value or agreement at the time of depositing funds. This activity can be profitable because of the additional cash rewards. From here Generation Z can better prepare for old age. The benefits of investing from an early age can be felt in the future because money works by itself. Reporting from the Financial Services Authority, investment myths that many people claim such as having to wait to get rich or have a lot of funds to start investing, when in fact to start investing can be done with a capital of only Rp. 10,000.00 and can be done online.

The fourth and final material is about fraudulent investment so that Generation Z can be wary of fraudulent investment when they enter the early stages of investing. Generation Z can recognize the characteristics of fraudulent investments such as promising large profits in a short time, unclear investment business products and processes, offering commissions or bonuses to recruit new members, and not having official permission from the Financial Services Authority. Fraudulent investments also claim products that are promised without risk (free of risk).

In the last session, a game quiz using Kahoot Application was held with questions about the material review that had been delivered by giving a little prize to students who could answer as many questions correctly as possible. A Google Form link was also distributed in order to evaluate activities.

Based on the implementation of community service activities in the form of knowledge sharing activities regarding basic investment for students at SMA Negeri 109 Jakarta. An analysis of the types of outputs and indicators of activity achievement was carried out in Table 2.

**Table 2. Community Service Program Effectiveness Measurement Indicators**

No.	Indicators
1	Participants who participated in the activity consisted of 39 participants.
2	90% participants in the activity feel that they have understood the investment with the exposure that has been done by members.
3	70% of participants in the activity are interested in advance investment material.

ACTIVITY EVALUATION

The results of the evaluation of the implementation of activities filled by activity participants can be seen in Figure 8, where 90% of participants think the material provided is very easy to understand and the implementation of activities is very interesting, and 100% of participants feel interested and very interested in basic investment materials.

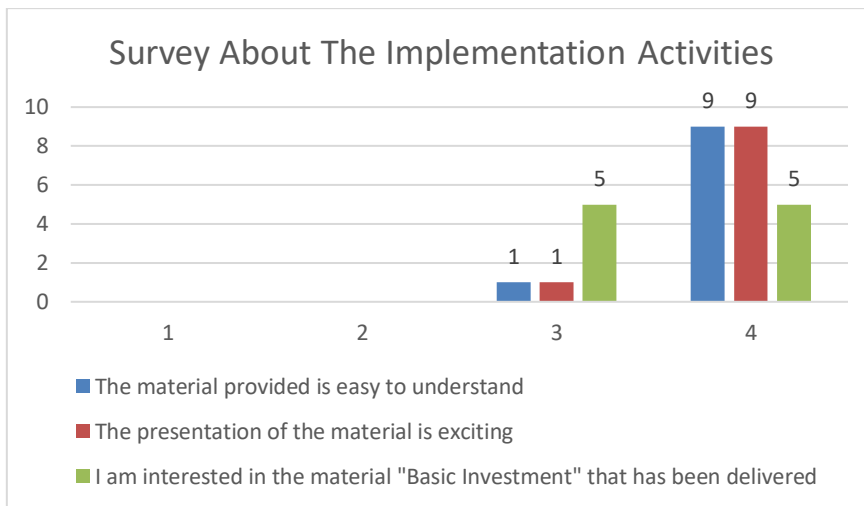


Figure 8. Survey About The Implementation Activities

Source: Data Processing Result

Description: 1 Disagree, 2 Quite Agree, 3 Agree, 4 Strongly Agree

The results of the evaluation related to the results of activities felt by participants can be seen in Figure 9, where after participating in the activity 80% of participants felt very able to distinguish between investment and savings, identifying fraudulent investments, and felt that investment is very important for their generation, also 70% of participants felt very interested in investing.

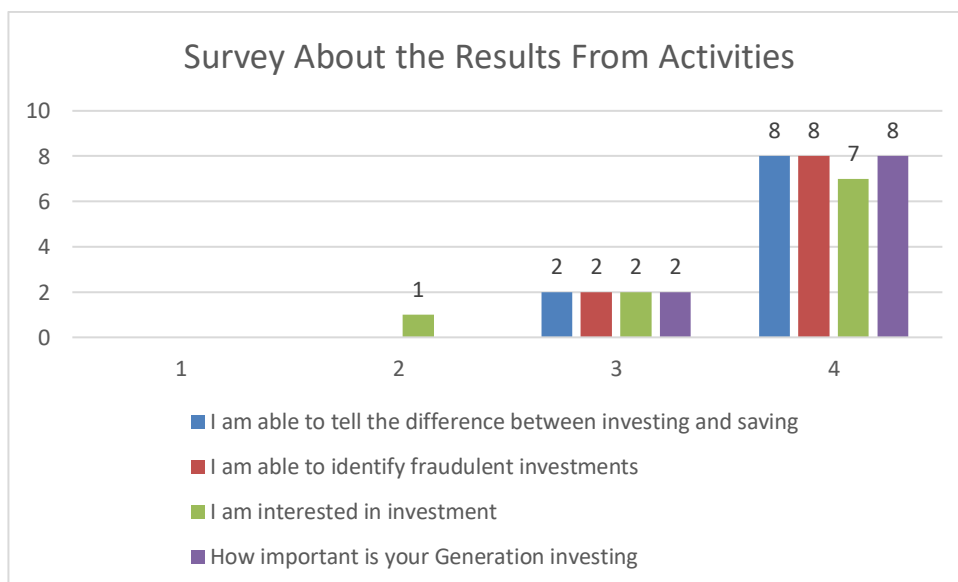
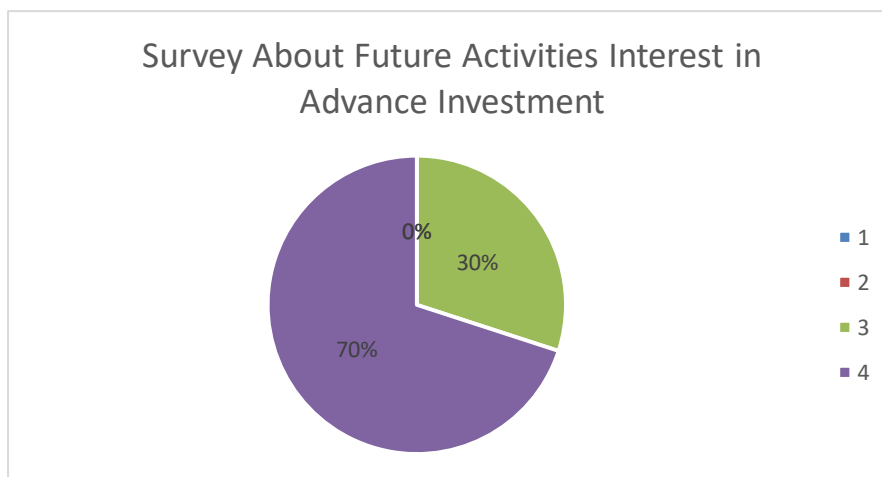


Figure 9. Survey About the Result From Activities

Source: Data Processing Result

Description: 1 Disagree, 2 Quite Agree, 3 Agree, 4 Strongly Agree

The results of the evaluation of future follow-up activities by activity participants can be seen in Figure 10, where after participating in the activity 70% of participants felt very interested in participating in similar activities with material related to advance investment.



**Figure 10. Survey About Future Activities Interest in Advance Investment**

Source: Data Processing Result

Description: 1 Disagree, 2 Quite Agree, 3 Agree, 4 Strongly Agree

## CONCLUSION

The provision of Basic Investment material for students of SMA Negeri 109 Jakarta lasted for two hours starting from 13.00-15.00 WIB which was held face-to-face. The target material participants are grade 11 students who specialize in Economics subjects. This activity is expected so that students can understand the basic concepts of investment that are useful for their financial planning in the long term. This basic investment is also an additional knowledge and encourages students who belong to Generation Z to invest as early as possible. Some limitations of the activity are participants consisting of only grade 11, in the future it is expected that activities are expected can be done for grade 10 and grade 12 considering that this basic investment material is important to be given to high school students. In addition, although most participants found the activity very interesting and very easy to understand, but the participants' interest in investment still looked average so that it is necessary to improve the quality of learning delivery so that the material delivered is attractive to high school students. Based on the results from Ferli et al (2022) that investment decision making in the capital market among the younger generation is more influenced by the experience of investing, so that the material delivery method will be better when involving participants in actual investment activities. It is hoped that activities like this can be carried out regularly with further material and adjusted to existing developments.

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2. STIE Indonesia Banking School as a main support.



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