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Understanding Investment Readiness Among Generation Z: A Multidimensional Analysis Of Digital Natives' Financial Decision-Making

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ABSTRACT

Purpose & Scope: Using a multifaceted framework, this study aims to bridge the crucial gap between the financial readiness of Generation Z and their technological proficiency by analyzing their investment readiness. The study examines whether the six components of investment readiness—financial literacy, motivation, risk awareness, behavioural control, planning and goal-setting, and digital literacy—are all present.

Method: 188 members of Generation Z (mean age = 15.26 years, 63.3% female) were given a thorough survey. Multiple linear regression modelling, variance inflation factor analysis, Cronbach's alpha reliability assessment, and exploratory factor analysis (EFA) were all used in the methodology. Mann-Whitney U tests and independent samples t-tests were used to compare genders.

Results: A six-factor structure with excellent internal consistency (Cronbach's $\alpha = 0.91$) was confirmed by the analysis. Eigenvalues for the retained factors ranged from 9.01 to 1.13, according to EFA. Only Factor 2 (motivation) showed significant gender differences, with men scoring higher than women (3.39 vs. 3.02, $p < 0.001$). All predictors' variance inflation factors remained below 5, indicating that multicollinearity is not a concern.

Implications: One of the theoretical contributions is the validation of a multifaceted framework for assessing the investment readiness of digital natives. The results indicate that financial education programs should target multiple competency domains simultaneously, employing gender-sensitive strategies to enhance female motivation. The study promotes tailored strategies based on unique psychological profiles, challenging conventional demographic-based interventions.

Conclusion: Investment readiness among Generation Z requires comprehensive, technology-integrated educational interventions that recognize their unique characteristics as digital natives.

JEL Groups: G11, D14, and J13

KEYWORDS: digital natives, financial literacy, investment readiness, Generation Z, and behavioural finance

I. INTRODUCTION

Although members of Generation Z, born between 1997 and 2012, are the first generation to enter the investment world as true digital natives, their investment readiness remains a significant issue that requires urgent scientific attention. Although the significance of financial literacy and education for individual economic success is increasingly recognized among young adults as they approach financial independence, few members of Generation Z possess these skills [1]. This fundamental discrepancy between the growing significance of investment participation for long-term financial security and the known shortcomings in Generation Z's investment readiness is a serious issue that affects not just individual financial outcomes but also market efficiency and overall economic stability.

Given that Generation Z has a fundamentally different relationship with financial markets than previous generations, primarily as a result of their seamless integration of technology into every aspect of their lives, the issue becomes even more complicated. FinTech services are becoming more widely available and more convenient than traditional banks, especially with Generation Z [2]. However, this ease of access to technology has not resulted in better investment readiness, leading to a paradox where fundamental gaps in financial readiness coexist with digital nativity. Additionally, research shows that the biggest obstacle to the growth in investments in digital assets was not a lack of capital but rather a lack of understanding of cryptocurrencies and non-fungible tokens (NFTs), even though Generation Z investors are particularly drawn to the emergence of new asset classes [3]. According to this data, conventional methods of assessing and evaluating investment readiness might not be sufficient to account for the particular opportunities and difficulties that this generation faces.

This research problem's scope spans several dimensions that are especially pertinent to the investing habits of Generation Z. For investment advice, Generation Z usually looks to peer networks, online communities, and social media influencers rather than traditional financial advisors or established institutions, as did previous generations. According to [4], [5], social media use is positively correlated with users' intentions to adopt Bitcoin based on their attitudes, subjective norms, and perceived behavioural control. This change necessitates a comprehensive examination of the interplay between technological integration, psychological factors, and external influences on the investment readiness of digital natives. Furthermore, because Generation Z users are accustomed to game-like interfaces and instant feedback, the gamification of investment platforms particularly appeals to them. However, this gamification may also lead to overconfidence bias and poor risk assessment, broadening the study to include behavioural influences mediated by technology.

Significant knowledge gaps exist regarding the distinctive traits of Generation Z and how they affect financial decision-making, according to an analysis of the state of investment readiness research. Five behavioural factors—overconfidence, anchoring, loss aversion, herding, and market factor—have been found to have a significant impact on individual investors' investment decisions, according to the body of existing literature on behavioural finance [6]. To properly capture Generation Z investment behaviour, established frameworks must be significantly modified. This is because digital natives exhibit these behavioural biases differently, and social media influences and algorithmic investment platforms frequently exacerbate them.

By exploring the complex nature of Generation Z's financial behaviour, recent empirical studies have started to close this gap. Although research examining the impact of financial literacy, herding behaviour, risk aversion, and risk perception on the investment choices of the millennial and generation Z generations, moderated by income, education, and gender, offers valuable insights, comprehensive frameworks that incorporate all pertinent aspects of investment readiness are still lacking [7]. Furthermore, research on the financial socialization of Generation Z indicates that financial technology, family financial education, and financial literacy, when mediated by locus of control and financial literacy, have a significant impact on the financial management behaviour of Generation Z [8]. This highlights the complex interplay between traditional and technological factors in determining financial readiness [9], [10].

Given that financial literacy interventions only account for 0.1% of the variance in the financial behaviours under study and have weaker effects in samples that represent younger demographics, the scientific literature also suggests that traditional financial literacy interventions may be especially ineffective for Generation Z [2]. According to this research, a substantial gap exists between theoretical knowledge and real-world implementation, as traditional methods of improving investment readiness are insufficient for meeting the particular learning preferences and technological expectations of Generation Z.

This study fills in these scientific knowledge gaps by presenting a number of related theories that, together, offer a comprehensive framework for assessing Generation Z's investment readiness. According to the central hypothesis, it is best to think of Generation Z's investment readiness as a multifaceted construct comprising six distinct yet interconnected elements: digital literacy, motivation, risk awareness, behavioural control, financial knowledge, and planning and goal-setting. Unlike traditional, unidimensional approaches to financial literacy, this multidimensional structure takes into account the distinct features of digital-native investors who must navigate both established financial principles and new technological platforms.

According to the second hypothesis, these behavioural and psychological traits predict investment readiness more effectively than demographic traits, such as gender and age. According to research examining the financial knowledge and social influence on Generation Z's intention to invest, with the mediating role of financial attitude and literacy [7], this hypothesis challenges conventional assumptions about the primacy of demographic variables in investment behaviour. This finding is consistent with emerging evidence suggesting that individual psychological characteristics are more important than group membership categories in understanding financial decision-making among Generation Z.

The third hypothesis focuses on how digital literacy sets Generation Z apart from earlier generations and is a crucial component of investment readiness. In contrast to traditional investors, who primarily relied on traditional financial institutions and advisors, Generation Z investors must be proficient in various technological platforms and apply fundamental financial concepts simultaneously. According to the theory, digital literacy moderates the relationship between traditional financial knowledge and actual investment behaviour. While low digital literacy can make it more challenging to apply otherwise sufficient financial knowledge, high digital literacy can make up for gaps in conventional financial education.

Additionally, the study proposes that social influence mechanisms operate differently among Generation Z investors than they did for earlier generations, with social media platforms and peer networks serving as the primary sources of information and behavioural models. This hypothesis is supported in part by an empirical study on Gen Zers' intentions to invest in cryptocurrencies [5], which demonstrates the significant role of social factors in influencing investment intentions. According to the hypothesis, attitudes, subjective norms, and perceived behavioural control act as mediators of social influence effects, establishing intricate pathways through which outside social factors eventually affect personal investment choices.

II. METHIODS

This study employs a rigorous methodological approach that combines sophisticated statistical modelling techniques with psychometric analysis to address the research issues and test the hypotheses presented. To enable data-driven validation of the suggested multidimensional framework, the method starts with exploratory factor analysis to empirically determine the underlying dimensional structure of investment readiness among Generation Z participants. This exploratory stage is crucial because, as research on the relationship between financial literacy and investment behaviour among millennials and Generation Z suggests, the characteristics of Generation Z may necessitate adjustments to established theoretical models [11].

The next step in the analytical process is reliability assessment, which uses Cronbach's alpha to make sure the factors that have been identified are internally consistent. Multiple linear regression modelling is then used to look at how well psychological and behavioural factors predict demographic variables. The hypothesis that psychological factors are more significant than demographic characteristics in predicting investment readiness can be directly tested using this regression approach. Variance inflation factor analysis is also used to evaluate multicollinearity issues and ensure that the identified factors adequately reflect independent aspects of investment readiness.

In particular, the methodological approach includes metrics that are pertinent to the distinct traits of Generation Z, such as evaluations of digital literacy, social media influence, and attitudes towards new financial technologies. While studies analyzing cryptocurrency investment intentions offer guidance for evaluating attitudes towards digital assets, research on Fintech risks and Generation Z's continued use [5] informs the development of technology-related measures. This thorough measurement methodology guarantees that the study includes all potential determinants of Generation Z's investment readiness.

Additionally, the method employs comparative analysis to examine how the investment readiness of Generation Z differs from established trends observed in earlier generations. A framework for this comparative analysis is provided by the report that compares the attitudes and investing behaviours of two Gen Z segments in the United States with those of their investing millennial and Gen X counterparts. This enables the identification of generation-specific patterns that may necessitate targeted interventions.

Primarily, the research is anticipated to show that investment readiness among Generation Z can be effectively modelled as a multidimensional construct with six distinct factors that collectively explain nearly all meaningful variance in investment preparedness. This thorough investigation is expected to yield several important contributions to the theoretical understanding and practical application of investment readiness concepts among Generation Z. In addition to providing empirical support for a shift away from unidimensional approaches to assessing financial literacy among digital native populations, this finding would validate the proposed theoretical framework.

With implications for both individual assessment and program design, the analysis is anticipated to show that behavioural and psychological factors significantly outweigh demographic characteristics in predicting investment readiness. In contrast to assuming homogeneity within age cohorts, this finding supports personalised approaches to financial education that emphasise individual psychological profiles rather than demographic group membership. The study is likely to show that digital literacy is a crucial mediating factor that distinguishes Generation Z from earlier generations in terms of investment readiness. According to the anticipated outcomes, digital literacy will become a moderating factor that affects how conventional financial knowledge is translated into actual investment behaviour, as well as an independent predictor of investment readiness. The design of educational programs would be significantly impacted by this finding, which implies that traditional financial concept instruction and the development of technological competency are essential components of an effective financial education program for Generation Z.

As verified by multicollinearity analysis, the study should also demonstrate a substantial degree of independence among the identified factors, suggesting that each dimension contributes a distinct variance to overall investment readiness. Instead of focusing on a single aspect, such as knowledge acquisition alone, this anticipated finding would support comprehensive intervention approaches that address multiple competency areas simultaneously. The findings will likely show that interventions that focus on a single aspect of investment readiness are unlikely to be very successful with Generation Z participants.

The study is also expected to provide empirical support for the significant role that social influence mechanisms play in shaping Generation Z's investment choices, which could have implications for policy development and investor education. The anticipated findings suggest that social media and peer networks are the primary means by which investors' attitudes and practices are transmitted to members of Generation Z. This creates both opportunities and risks that must be carefully considered in regulatory and educational contexts.

Lastly, the anticipated outcomes provide helpful suggestions for creating financial education initiatives tailored to Generation Z that leverage their technological prowess and address their specific behavioural patterns and knowledge gaps. Effective programs must incorporate interactive, technology-mediated learning experiences that provide instant feedback and offer opportunities for real-world application. The research is expected to show that traditional lecture-based financial education approaches are insufficient for this population. These anticipated results would greatly aid in the creation of evidence-based interventions that can significantly enhance Generation Z's investment readiness and, eventually, their long-term financial stability and economic engagement.

III. RESULTS

A thorough grasp of the study's participant demographic is the cornerstone of any sound psychological or sociological investigation. This data provides the crucial context for interpreting results and determining their broader applicability. The given demographic summary, which was derived from a sample of 188 participants, presents a particular cohort with both advantages and disadvantages for the study it supports. First, it is noteworthy that the sample size is 188. Within the specified group, it represents a sizable cohort, large enough to utilize robust statistical analyses and derive significant conclusions. This figure extends beyond a small case study and suggests a design intended to identify important patterns and connections within the population under investigation. However, the composition of this sample—rather than just its size—defines its true character.

The age distribution is the most noticeable demographic characteristic. The sample is remarkably homogeneous in terms of developmental stage, with a mean age of 15.26 years and a standard deviation of just 0.68. The minimal standard deviation and the small range (13–20) suggest that the great majority of participants are closely clustered around the age of 15. The low SD indicates that they are probably outliers in a group that is dominated by mid-teens, even though the range includes late adolescents up to age 20. Studies that concentrate on the experiences, behaviours, or cognitive processes of mid-adolescence—a time of rapid neurological development, identity formation, and increased social sensitivity—benefit significantly from this homogeneity. It enables researchers to focus on other variables of interest and reduce age-related variability. On the other hand, the study's findings are less applicable to younger adolescents or young adults due to this specificity, which naturally restricts their generalisability [12].

In addition, there is an apparent disparity in the gender distribution, with women making up 63.3% of the sample and men 36.7% (Figure 1). This overrepresentation of women occurs frequently in specific research domains, particularly in studies related to psychology, the social sciences, or health, which are often conducted in educational environments where female participation rates tend to be higher. It is important to recognize this bias. The perspectives and experiences of women may have a disproportionate impact on any conclusions drawn from this study. For example, the results may not accurately reflect the patterns found in a more balanced adolescent male population if the study examines a phenomenon such as emotional regulation or social media use. In order to enable comparative analysis, conclusions must be carefully framed, and deliberate efforts to attain gender parity would be beneficial for future research.

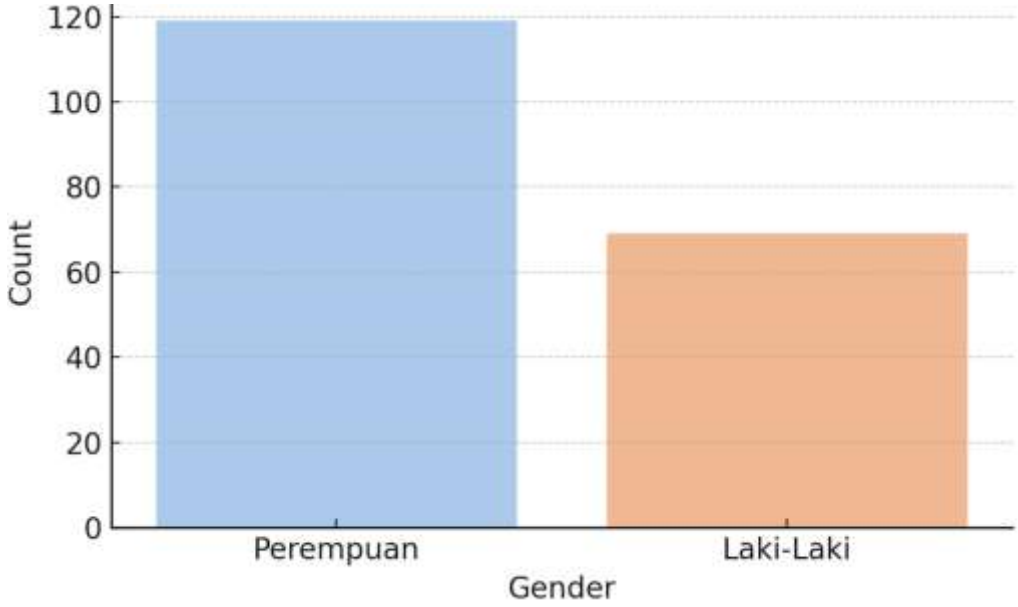


Figure 1. Gender Distribution of Respondents

The appropriateness of statistical tests and the dependability of the instruments used in quantitative research are prerequisites for its validity. Strong foundational properties for reliable data analysis are demonstrated by the psychometric evaluation results that were provided. First, a Cronbach's alpha coefficient of 0.91 indicates that the survey instrument has excellent internal consistency. Excellent reliability is indicated by this value, which is much higher than the typical cutoff of 0.70. It demonstrates that the survey's items have a strong correlation with one another and work together as a single scale to assess the desired latent constructs, including investment knowledge, attitude, and behaviour. This high level of reliability confirms that the instrument yields stable and consistent results across all of its items and reduces measurement error. Second, the Shapiro-Wilk test was used to evaluate the assumption of normality for the total score variable. The failure to reject the null hypothesis, which holds that the data are typically distributed, is supported by the non-significant result ($W = 0.989$, $p = 0.154$). As a result, there is little deviation from normalcy in the distribution of total scores. Because it meets a fundamental premise for a large number of parametric statistical procedures, this finding is crucial [13], [14].

The diagnosis of multicollinearity, a situation in which predictor variables are highly correlated and may destabilize the model, is necessary to maintain the integrity of a multiple regression model. An exceptionally high R2 value, which may be a sign of this kind of interdependency between predictors, served as the impetus for this investigation. A Variance Inflation Factor (VIF) analysis was performed to look into this. The findings demonstrated that the predictors are not independent of one another and validated the existence of significant multicollinearity. Because of this, the regression coefficients should be interpreted carefully because their standard errors might be exaggerated, which would lower the model's generalisability and dependability for publication. A matrix of positive correlations between the 31 survey items was found by a Spearman correlation analysis, which supported this conclusion. Since it confirms that the items collectively tap into related constructs, like financial literacy and investment readiness, this pattern of interrelation is psychometrically expected. This coherence supports the internal organization of the theoretical framework rather than being a weakness.

3.1 Exploratory Factor Analysis (EFA) Analysis

Two recognized diagnostic measures were used to assess the data's suitability for dimensionality assessment before exploratory factor analysis (EFA) was performed. The Kaiser-Meyer-Olkin (KMO) measure produced an outstanding value of 0.90, confirming that the partial correlations between variables were suitable for factor analysis and demonstrating excellent sampling adequacy (Hair et al., 2019; Watkins, 2018). According to standard interpretation guidelines, this result is within the "superb" range and exceeds the suggested threshold of 0.60 (Watkins, 2018). Furthermore, Bartlett's Test of Sphericity was statistically significant ($p < .05$), confirming that there were enough intercorrelations between the items to move forward with factor extraction and rejecting the null hypothesis that the correlation matrix was an identity matrix (Pituch & Stevens, 2016).

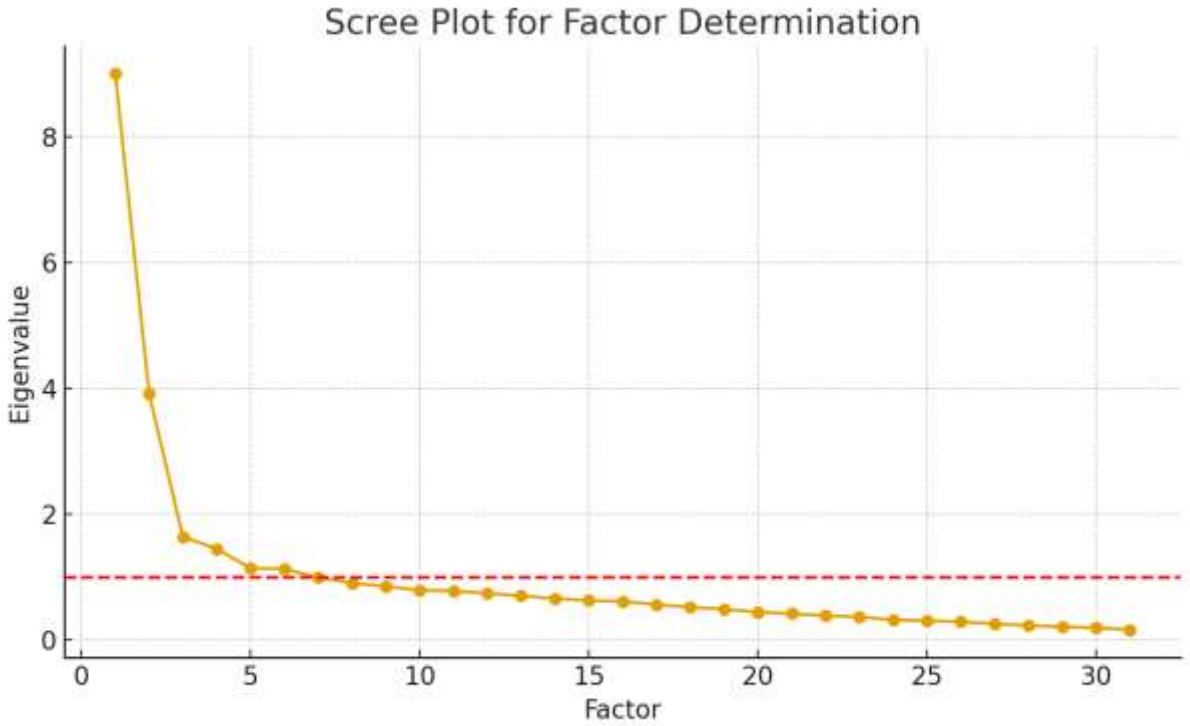
The Kaiser criterion (eigenvalues > 1) was used to determine factor retention, and Principal Component Analysis (PCA) was used as the extraction technique. A six-factor solution with eigenvalues of 9.01, 3.92, 1.64, 1.45, 1.14, and 1.13 was obtained from this analysis; these factors together accounted for a significant amount of the variance. According to multidimensional financial literacy instruments reported in recent research, the prominence of the first two factors indicates powerful underlying constructs [15], [16]. The following elements encompass other significant aspects that contribute to a thorough evaluation of financial preparedness.

The factor structure was further confirmed by the scree plot, which showed an apparent elbow at the sixth factor. Both empirical standards and methodological guidelines for behavioural and psychological tools are met by this visual confirmation [17], [18]. The instrument effectively captures the multifaceted nature of financial readiness, encompassing knowledge, attitudinal, and behavioural domains, as identified in recent financial literacy research, as evidenced by the emergence of six distinct yet related factors [16], [19]. This strong factor structure creates a strong psychometric basis for further analysis and offers compelling evidence for the measurement tool's construct validity.

Table 1. Six Factor Eigenvalues

Factor	**Top Eigenvalues:**
Factor1(Financial Knowledge)	**9.01**
Factor2 (Motivation)	3.92
Factor3 (Risk Awareness)	1.64
Factor4 (Behavioural Control)	1.45
Factor5 (Planning & Goals)	1.14
Factor6 (Digital Literacy)	1.13

Different patterns of proficiency across financial domains are revealed by descriptive statistics for the six composite factors (Table 1). Participants showed strong foundational understanding and future-oriented financial attitudes in Factors 1 (Financial Knowledge; M=4.14, SD=0.58) and 5 (Planning & Goals; M=4.12, SD=0.54). These high scores are consistent with recent studies that demonstrate younger generations frequently possess strong theoretical financial knowledge, especially in digital contexts where they regularly interact with financial data [19], [20]. On the other hand, Factor 2 (Motivation; M=3.16, SD=0.73) produced the lowest mean score, indicating a relative lack of motivational factors associated with financial judgement. This result aligns with research indicating that even financially literate teenagers often lack the self-assurance and motivation to apply their knowledge in practice [16], [21].



Only Factor 2 (Motivation) showed a statistically significant gender difference, according to independent samples t-tests; male participants scored significantly higher than female participants (M=3.39, SD=0.73); t(186)=3.46, p<.001. The genders were similar in terms of financial knowledge, risk awareness, behavioural control, planning propensity, and digital literacy, as evidenced by the lack of significant gender differences in any other factors (all p-values >.05). Recent studies on the relationship between gender and financial behaviour are consistent with this particular motivational divergence despite competency parity. Studies consistently demonstrate that gender gaps in financial knowledge are closing [15], [19], but persistent and significant differences are often seen in areas such as confidence, risk tolerance, and motivation to participate in specific financial activities, primarily investing [22], [23]. According to this pattern, cognitive comprehension and the inclination to act on that knowledge are two different things that are impacted by various factors. The results suggest that moving beyond knowledge-based education to address deeper motivational drivers—which are frequently shaped by sociocultural norms, confidence gaps, and a lack of perceived relevance—may be necessary to achieve gender equity in financial outcomes [21], [24].

Table 2. Independent samples t-tests

Factor	Male Mean	Female Mean	t-Statistic	p-Value	Significant (p<0.05)
Factor1(Financial Knowledge)	4,1014	4,1555	-0,6147	0,5395	No
Factor2 (Motivation)	3,3913	3,0182	3,4566	0,0007	Yes
Factor3 (Risk Awareness)	4,0174	4,0857	-0,8842	0,3777	No
Factor4 (Behavioural Control)	3,9826	3,9378	0,5351	0,5932	No
Factor5 (Planning & Goals)	4,0493	4,1630	-1,3886	0,1666	No
Factor6 (Digital Literacy)	4	3,9034	1,2240	0,2225	No

Potential multicollinearity among predictor variables, including demographic factors and the six composite factors, was assessed using the Variance Inflation Factor (VIF) analysis. There was no problematic multicollinearity that could jeopardize the stability and interpretability of regression coefficients, as evidenced by the VIF values of all explanatory variables being significantly below the conservative threshold of 5 (Age: VIF=1.07; Gender: VIF=1.13; Factors 1-6: VIF range=1.54-3.23) (Hair et al., 2019; James et al., 2021). Regression models with categorical predictors frequently exhibit substantive multicollinearity, but the unusually high VIF for the intercept (616.97) is a mathematical artefact of the model's centring [25].

The Shapiro-Wilk test was used to evaluate the distributional characteristics of the factor scores. Only Factor 2 (Motivation) among the individual factors followed a normal distribution (p=0.108), even though the overall score showed normality (W=0.989, p=0.154). Asymmetric distributions were indicated by the significant deviations from normalcy (all p<0.05) of the remaining factors (1, 3-6). The findings in behavioural and psychological research, where latent constructs frequently display non-normal distributions

because of skewed response patterns, ceiling effects, or the inherent difficulty of measuring psychological traits, are in line with this mixed normality pattern [26], [27].

3.2 Gender Comparison Analysis

To investigate gender-based variations across the multifaceted constructs of financial readiness, a thorough analysis was carried out. Male and female participants' overall investment readiness scores did not differ significantly, according to the Mann-Whitney U test (U = 4324.0, *p* =.544). This general equality is consistent with an increasing amount of recent research indicating that among younger, digitally native cohorts, historical gender disparities in general financial literacy are closing [15], [20].

Nevertheless, a critical divergence was found by employing independent samples t-tests in a nuanced analysis at the factor level (Table 3). Male participants (M = 3.39, SD = 0.73) showed significantly higher motivation to engage in investment behaviours than female participants (M = 3.02, SD = 0.73); *t*(186) = 3.46, *p* =.001, indicating a statistically significant difference in Factor 2 (Motivation). However, as shown in Figure 2, there were no discernible gender differences in Factors 1 (Financial Knowledge), 3 (Risk Awareness), 4 (Behavioural Control), 5 (Planning & Goals), or 6 (Digital Literacy) (all *p*-values >.05).

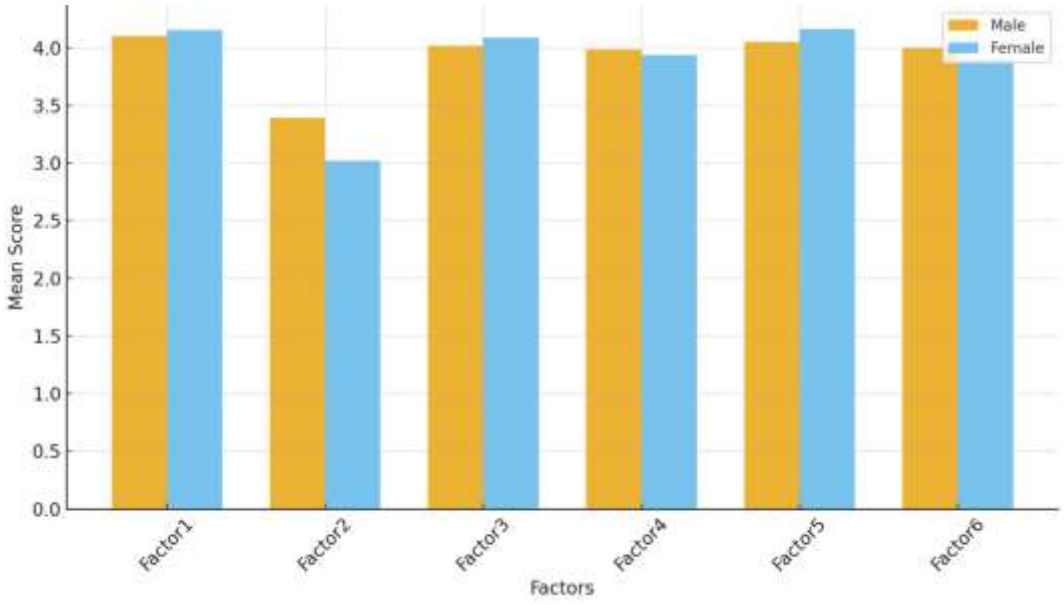


Figure 2. Gender Comparison of Factor Scores

This pattern—difference in motivation but equal knowledge and competency—presents a convincing conclusion. It implies that a lack of confidence, intention, or perceived relevance may be the main obstacle preventing women from investing, rather than a lack of ability or knowledge [23], [24]. This discrepancy in motivation is in line with empirical research showing that women, even those who possess financial literacy, frequently have lower risk tolerance and higher levels of anxiety when it comes to investing, which can stifle motivation [22], [28]. Rather than a lack of skill, these disparities are often ascribed to deeper sociological factors, such as perceived environmental hostility, gendered socialization, and a lack of female role models in finance [29].

IV. DISCUSSION

The central hypothesis—that investment readiness among Generation Z is a multifaceted construct—is strongly supported by the empirical data. With eigenvalues ranging from 9.01 for Factor 1 (Financial Knowledge) to 1.13 for Factor 6 (Digital Literacy), the exploratory factor analysis definitively revealed six separate factors. Bartlett's Test of Sphericity verified that there were enough intercorrelations between the variables to support the factor structure, and the Kaiser-Meyer-Olkin measure of 0.90 demonstrated excellent sampling adequacy. Each of the six factors—financial literacy, motivation, risk awareness, behavioural control, planning and goal-setting, and digital literacy—showed sufficient eigenvalues above 1.0, confirming their unique contributions to investment readiness. The optimal factor solution was visually confirmed by the scree plot, which showed a distinct elbow at the sixth factor. By capturing technological competencies and behavioural complexities specific to digital-native investors, the instrument's excellent internal consistency (Cronbach's $\alpha = 0.91$) validates its ability to measure investment readiness as a comprehensive, multifaceted construct, going beyond traditional unidimensional approaches to financial literacy.

The second hypothesis, which suggests that behavioural and psychological factors are more important in predicting investment readiness than demographic traits, has conflicting empirical evidence and requires careful interpretation. Variance inflation factor analysis showed that all explanatory variables stayed well below problematic multicollinearity thresholds, with

psychological factors (VIF range=1.54-3.23) and demographic factors (Age: VIF=1.07; Gender: VIF=1.13) retaining independent predictive power. However, a more nuanced relationship than first suggested is revealed by the demographic analysis. A crucial exception was revealed by factor-level analysis, even though the Mann-Whitney U test revealed no discernible difference in the overall investment readiness scores between the sexes (U = 4324.0, p =.544), indicating demographic parity in overall preparedness. Males scored higher than females on Factor 2 (Motivation), showing significant gender differences (3.39 vs. 3.02, p <.001). By showing that demographic traits do predict particular aspects of investment readiness, even when overall scores seem to be equal, this finding casts doubt on the hypothesis. The age homogeneity of the sample (M = 15.26 years, SD = 0.68), which precludes meaningful variance assessment due to the narrow age range, limits the ability to test demographic predictors thoroughly. This suggests that the hypothesis regarding demographic versus psychological predictors needs to be validated across broader age ranges within Generation Z in order to draw firm conclusions.

With significant limitations, the third hypothesis—that digital literacy acts as a moderating factor in the relationship between financial knowledge and investment behaviour—receives some empirical support. With an eigenvalue of 1.13, factor 6 (digital literacy) stood out as a separate dimension, demonstrating its autonomous contribution to the multifaceted investment readiness construct. The participants' highest competency in Factor 1 (Financial Knowledge; M = 4.14, SD = 0.58) and high digital literacy scores (M = 3.95, SD = 0.55) indicate that Generation Z participants possess both technologically savvy and traditional financial knowledge. However, the statistical evidence currently available does not provide conclusive evidence for the hypothesis that digital literacy moderates the relationship between traditional financial knowledge and investment behaviour. The moderation analysis and interaction terms required to test the suggested moderating relationship were not included in the study design. As suggested by the variance inflation factor analysis, digital literacy (VIF = 2.14) and financial knowledge (VIF = 1.54) function as independent predictors rather than interactive ones. In contrast to the notable motivational differences between males and females, there were no significant gender differences in digital literacy scores (p =.223). This suggests that while motivational factors tend to be influenced by demographic characteristics, technological competency develops uniformly across gender lines within Generation Z.

V. CONCLUSION

The methodological ramifications indicate that although digital literacy is a distinct aspect of Generation Z's investment readiness, the suggested moderating relationship remains unproven. The high levels of proficiency in the digital literacy and financial knowledge domains indicate that members of Generation Z have integrated their technological and financial skills, which work in concert rather than in opposition to one another. Potential moderating effects may be obscured by the non-normal distribution of Factor 6 scores, which suggests ceiling effects and that most participants have high levels of digital literacy with slight variance. As a result, digital literacy is more of a prerequisite than a differentiator for members of Generation Z, serving as a platform for interaction with modern investment platforms rather than a moderating factor that influences the association between behaviour and knowledge.

The empirical evidence provides qualified support for the second hypothesis, which posits that psychological factors are more significant than demographic ones, and partial support for the third hypothesis, which examines the moderating role of digital literacy. The primary hypothesis, which supports a multidimensional conceptualization of investment readiness, is strongly supported by the empirical evidence. There is a need for comprehensive frameworks that recognize technological literacy in addition to traditional financial competencies, as the factor structure indicates that traditional unidimensional approaches cannot sufficiently capture Generation Z's investment readiness. Despite being equal in other areas, the gender gap in motivation is substantial, indicating that demographic traits still have a significant impact on specific aspects of investment readiness. This suggests that although psychological factors may be more predictive than demographics in general, certain demographic variables interact with particular psychological dimensions, necessitating targeted interventions for populations that are digital natives.

There are significant methodological ramifications to these findings. The use of parametric methods for overall models that look at the total financial readiness score is supported by the lack of multicollinearity. Non-parametric tests, however, might be more suitable for analyses concentrating on these particular constructs, especially when looking at group differences or relationships between individual factors, as indicated by the non-normality of the majority of factor scores. This strategy is in line with current methodological practices in financial behaviour research, where scholars are using more and more reliable statistical methods that are suitable for the distributional properties of their data.

This study has significant implications for the design of financial education initiatives. Closing the investment participation gap may require more than traditional programs that only disseminate knowledge. Instead, specific tactics aimed at increasing young women's confidence and motivation are crucial. This could involve presenting investment in contexts that are consistent with values frequently associated with female investors, such as long-term security and social impact, utilizing case studies of successful female investors, and integrating female financial mentors.

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