The Influence of Sharia Financial Literacy, Technology, and Investment Knowledge on Investment Decisions Among the Millennial Generation

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Abstract

Background: Investment refers to the act of allocating funds or capital into assets with the expectation of generating future profits. Sound investment decisions are typically grounded in meticulous financial planning and a comprehensive understanding of associated risks and potential returns.

Objectives: This study aims to examine the influence of Islamic financial literacy, technology, and investment knowledge on investment decisions among the millennial generation in Jambi City.

Novelty: In this study, investment decisions serve as the dependent variable, while Islamic financial literacy, technology, and investment knowledge are the independent variables. The research focuses on the millennial generation residing in Jambi City.

Research Methodology / Design: This quantitative study employs a population of 151,855 millennial residents in Jambi City. A probability sampling technique was utilized to select 100 respondents. Data were collected through questionnaires using a Likert scale measurement. Analytical methods included validity and reliability tests, R-squared analysis, and hypothesis testing via bootstrapping using Smart PLS 4.0 software.

Findings: The findings indicate that Sharia financial literacy exerts a positive yet statistically insignificant influence on investment decisions, whereas technology and investment knowledge demonstrate a positive and statistically significant impact on investment decisions.

Implication: Future studies are encouraged to incorporate additional variables to identify other factors influencing investment decisions.

Keywords:
Sharia Financial Literacy, Technology, Investment Knowledge, Investment Decisions.

JEL Classifications:
G20, G41, O31, Z12

A. Introduction

Technological advancements today are rapidly evolving, necessitating activities and innovations tailored to the needs of the millennial generation. Millennials, defined as individuals born between 1982 and the early 2000s, have grown up in a world adept at using social media and smartphones. Consequently, this generation is inherently tech-savvy. Millennials remain perpetually updated and connected to all aspects of life, evidenced by their constant use of smartphones. They utilize these devices not only for communication and news consumption but also for online business ventures and capital market investments (Fazura Mutiara Pratiwi et al., 2022).

According to Jamaluddin (2023), investment decisions are critical financial choices made by investors. These decisions influence firm value by determining fund allocation—both in terms of funding sources (internal or external) and their application for short-term or long-term objectives. The primary goal of investment decisions is to minimize potential losses and risks. Data from PT Kustodian Sentral Efek Indonesia (KSEI) reveals that the number of capital market investors reached 15,161,166 Single Investor Identification (SID) accounts by January 2025. Compared to the previous month, this reflects a growth of 289,527 SIDs, significantly higher than the 144,888 SIDs added in January 2024. This growth underscores rising optimism in Indonesia's capital market, driven by increasing financial literacy and public participation in investments. It highlights investors' growing preference for stocks as long-term investment instruments.

Millennials are astute investors. Data from the Central Securities Depository of Indonesia (KSEI) demonstrates their strong inclination toward stock investments. As of the end of January 2023, the number of investors in Indonesia's capital market further validates this trend.

Source: Kustodian Sentral Efek Indonesia (KSEI)

Figure.1 The Amount of Investors in Indonesia's Capital Market

Based on the graph presented above, it can be observed that in the most recent year, the growth in investor numbers increased by only 1.65%. This suggests a declining trend in the annual increase of investors. As one of the most populous countries in the world, Indonesia ranks fourth globally in terms of population size. Consequently, the size of a nation's population directly influences its consumption patterns. Generally, an excessively large population tends to saturate the labor market, resulting in low income levels and high consumption rates. To generate profit under such circumstances, companies are compelled to invest. Investment activities have long been practiced by humans, often without their conscious awareness. In earlier times, people invested in livestock, agricultural land, plantations, and similar ventures. Economic development is driven by investment, and the flow of capital is sustained through ongoing investment activities.

In 2023, the recorded number of millennial residents in Jambi City, comprising both males and females born between 1980 and 2000 and aged between 23 and 44 years, amounted to 151,855 individuals. This figure represents a significant proportion of the total population of Jambi City, which stands at 627,774. The millennial generation in Jambi City is also recognized for its adept use of the internet, positioning them as a digitally literate group capable of contributing to regional development through the prudent utilization of information technology. Consequently, millennials in Jambi City play a crucial role in navigating technological and economic advancements and possess specific needs for access to information and facilities that support their engagement in various spheres of life (Lidya Anggraeni, 2022).

A gap review in previous research reveals several studies investigating the influence of Islamic financial literacy on investment decision-making. One such study, conducted by Maura Alivia et al. (2025), concludes that Islamic financial literacy has a significant effect on investment decisions. In contrast, research conducted by Eka Yuli Astutik et al. (2024) presents a differing perspective, indicating that Islamic financial literacy has a negative and statistically insignificant effect on investment decisions. This discrepancy is likely due to limited awareness and understanding of financial and investment concepts. This conclusion is further supported by research from Okca Fiani Triana et al. (2022), whose findings demonstrate that investment knowledge within the Islamic capital market significantly influences millennial investment decisions. Similarly, a study by Romansyah Sahabuddin et al. found that advancements in information technology have a significant impact on investment decisions. In light of these findings and the prevailing phenomena, the author is motivated to conduct a study entitled "The Influence of Islamic Financial Literacy, Technology, and Investment Knowledge on Investment Decisions among the Millennial Generation.".

B. Literature Review

B.1. Theoretical Framework

Theory of Planned Behavior

The Theory of Planned Behavior (TPB) represents a further development of the Theory of Reasoned Action (TRA). As articulated by Ajzen (1990), the Theory of Planned Behavior is a framework designed to elucidate the factors that drive individuals to engage in specific actions. This theory is employed to explain decision-making processes and predict behavioral outcomes (Christopher J. Armitage et al., 2017). Behavior, in a more restricted sense, refers to any observable or objectively measurable action or function executed in response to controlled stimuli. Historically, behaviorists have contrasted objective behavior with mental activities, which are deemed subjective and thus unsuitable for scientific inquiry. Behavior encompasses tangible, observable movements of an organism, including verbal expressions as well as physical actions (I Ketut Swarja, 2022). Based on the theory used in this study, it is related to several variables used, such as financial literacy, which is assumed to contribute to positive attitudes towards investment behavior, because millennials who have financial knowledge tend to be more confident and aware of the benefits of investing. Supported by financial technology (fintech) is related to perceived behavioral control, because access to technology makes the investment process easier, faster, and more efficient, thereby increasing students' perceptions of their ability to invest. And in the variable p, investment knowledge also strengthens attitudes and control, because the more someone understands the risks and investment instruments, the higher their intention to act.

Investment

The term "investment" is more prevalently used in the business domain. Derived from the word "invest," which signifies allocating or committing capital, investment encompasses a broad spectrum of activities. Allocating funds to the real sector (e.g., land, gold, machinery, or property) or financial assets (e.g., deposits, stocks, or bonds) represents common investment practices. Investment can be defined as the deferment of current consumption to channel resources into productive endeavors over a specified period. According to the Indonesian Dictionary (KBBI), investment refers to the allocation of money or capital into a company or project with the objective of generating profit (Siti Munawaroh et al., 2019).

Sharia Financial Literacy

Sharia financial literacy serves as a critical determinant in fostering community engagement within Islamic microeconomic systems. Despite the expanding availability of Sharia-compliant financial instruments, a substantial segment of the population remains insufficiently acquainted with the operational frameworks of these products and their capacity to enhance socioeconomic welfare. The importance of Sharia financial literacy transcends basic familiarity with financial offerings; it also involves cultivating individuals' ability to exercise judicious financial decision-making consistent with Sharia ethical principles (Andi Rustam, 2025). Defined as a knowledge base rooted in Islamic financial doctrines, Sharia financial literacy informs strategic decision-making processes pertaining to financial management. It directly shapes individual financial behaviors, particularly in discerning distinctions between conventional and Sharia-compliant financial services across domains such as banking, financing, capital markets, and insurance (Anwar Junaidi, 2024). Personal financial management is part of the main matter that will be taken into account by Allah SWT so that Islam demands its followers not to waste their wealth excessively, this is in accordance with the words of Allah SWT in the Qur'an surah Al-Isra' verse 26:

وَاٰتِ ذَا الْقُرْبٰى حَقَّهٗ وَالْمِسْكِيْنَ وَابْنَ السَّبِيْلِ وَلَا تُبَذِّرْ تَبْذِيْرًا ﴿٢٦﴾

"Give close relatives their due, (also to) the poor, and people who are on a journey. Do not squander (your wealth) wastefully." (QS. Al-Isra': 26).

Technology

Technology, in its general sense, refers to expertise or knowledge-related domains. Traditionally, the term "technology" has been narrowly interpreted to encompass only tangible entities, such as tools or machinery. However, technology is more comprehensively defined as the evolution of both hardware and software systems, rooted in scientific knowledge and shaped by temporal progression and contemporary user needs. Information Technology (IT), specifically, represents advancements in information management systems that facilitate the execution of daily tasks, encompassing both the acquisition and dissemination of information (Abdul Karim et al., 2020).

Investment Knowledge

Investment, as a form of *muamalah* (Islamic transactional practices), refers to the strategic allocation of capital into financial instruments over a defined period to secure future returns or capital appreciation. This practice involves the deliberate reservation of resources for medium- to long-term horizons, reflecting both financial foresight and risk management. In contemporary settings, investors encounter a spectrum of investment vehicles, spanning state-regulated, legally compliant products and unregulated, often illicit schemes. Prudent investors must prioritize verifying that selected investments are formally registered and supervised by Indonesia's regulatory frameworks to ensure compliance and minimize exposure to fraud. Observable investment strategies include direct engagement with tangible assets—such as real estate, precious metals, and commodities—as well as participation in financial markets through instruments like equities, time deposits, and mutual funds (Berutu, 2020).

B.2. Hypothesis Development

The Influence of Sharia Financial Literacy on Investment Decisions Among Millennials in Jambi City in the Sharia Capital Market

Hadi Ismanto et al. (2019) posit that financial literacy encompasses an individual's competence and skills in managing personal or business finances. Financial literacy is defined as a combination of financial education and cognitive abilities that shape behavioral patterns and societal activities aimed at enhancing financial well-being. It further integrates business and financial awareness, financial knowledge, financial management, and financial planning. Consequently, effective management of financial literacy directly impacts an individual's decision-making process in investments. Research by Lenita Waty et al. (2023) demonstrates that advancements in information technology significantly influence investment decisions. Conversely, findings from Rachmawati Annisaa Ramadhani et al. (2022) reveal a negative correlation between technological variables and investment decisions. These divergent outcomes underscore the complexity of factors affecting investment behavior, leading to the following hypothesis:

H_1: Sharia financial literacy significantly influences investment decisions among millennials in Jambi City participating in the Sharia Capital Market

The Influence of Technology on Investment Decisions Among Millennials in Jambi City in the Sharia Capital Market

Hery Nuryanto (2012) defines information technology (IT) as a system that facilitates tasks related to the collection, processing, management, storage, dissemination, and utilization of information. This technology prioritizes human-centric considerations alongside hardware and software components. The rapid advancement of IT in recent years has been driven by its widespread adoption, coupled with innovations in hardware, software, and supporting applications. Research by Lenita Waty et al. (2023) indicates that technological progress exerts a statistically significant positive influence on investment decisions. Conversely, findings from Rachmawati Annisaa Ramadhani et al. (2022) suggest a negative relationship between technological variables and investment behavior. These contrasting empirical results highlight the need for further investigation, leading to the following hypothesis:

H_2: Technology significantly influences investment decisions among millennials in Jambi City participating in the Sharia Capital Market

The Influence of Investment Knowledge on Investment Decisions Among Millennials in Jambi City in the Sharia Capital Market

Berutu (2020) posits that investing entails allocating funds over a defined period to anticipate future returns. In daily practice, investors encounter diverse financial products, ranging from state-regulated legal instruments to unregulated (or illegal) schemes. Investors must ensure that selected investment vehicles are registered and supervised by Indonesian regulatory authorities, particularly the Financial Services Authority (Otoritas Jasa Keuangan / OJK), which acts as the government's extension to mitigate fraudulent investment practices. Empirical evidence from prior research by Sahabuddin ([Year]) underscores that investment knowledge exerts a significant influence on investment decision-making. Consequently, the following hypothesis is proposed:

H_3: Investment knowledge significantly influences investment decisions among millennials in Jambi City participating in the Sharia Capital Market**.**

C. Research Methodology

In this study, the researcher employs a quantitative research methodology. This approach is classified as quantitative descriptive research, which involves the application of statistical methods to analyze data from a sampled population before interpreting the findings (Jaya et al., 2020). The research focuses on millennials residing in Jambi City.

Primary data were collected through questionnaires distributed directly by the researcher and completed either online or in person by millennials in Jambi City. Secondary data refer to information gathered from pre-existing sources, where the researcher acts as a secondary party. Secondary data include supporting references such as books, journals, articles, and official publications from the Central Bureau of Statistics (BPS) of Jambi City (Salim et al., 2019).

The population comprises all individuals meeting specific criteria for sample selection, defined as objects or subjects chosen by the researcher to draw conclusions based on distinct characteristics (Sugiyono et al., 2019). In this study, the population includes all millennials in Jambi City with monthly incomes exceeding IDR 2,000,000, born between 1980 and 2000 (aged 23–44 years), totaling 151,855 individuals (male and female).

Sampling was conducted using non-probability sampling, specifically purposive sampling. Purposive sampling involves selecting population members based on predetermined criteria to ensure the sample represents the population's characteristics and meets research requirements (Mamik et al., 2015). The sample size was determined using Slovin's formula, as follows:

$$n = \frac{N}{N(e)^2 + 1}$$

Description:

n : Sample size

N : Population

e = Degree of error (10%).

$$n = \frac{151.855}{151.855\,(0,1)^2 + 1}$$

n **=** 99,5 respondents

The calculated sample size for this study was 99.5 respondents, which was rounded to 100 respondents for practical purposes.

This research employs Structural Equation Modeling (SEM) using the Partial Least Squares (PLS) approach, processed via Smart PLS version 4.0 software. PLS-SEM serves as a variance-based alternative to covariance-based SEM (CB-SEM). Unlike CB-SEM, which prioritizes reproducing theoretical covariance matrices, PLS-SEM focuses on maximizing the explained variance of the dependent latent variables by predictor latent variables (Mahfud Sholihin et al., 2020).

This study employs a measurement model (outer model) to assess validity and reliability. Validity testing ensures the questionnaire's accuracy in measuring the intended constructs. An instrument is considered valid if it effectively captures the target phenomena. Questionnaire items are validated if their calculated correlation coefficient (r-value) exceeds 0.30 and is positive. Items with negative correlations or r-values below 0.30 are deemed invalid. Pearson correlation analysis is applied for this test. A questionnaire item is validated if its Pearson correlation coefficient exceeds the critical r-table value or achieves a significance level below 0.05. Reliability is evaluated using Cronbach's alpha, where higher alpha values (above 0.6) indicate stronger internal consistency among the questionnaire items..

The structural model (inner model) examines causal relationships between latent variables to evaluate model fit and test hypotheses (Suhartanto et al., 2023). The R^2 value indicates the proportion of variance in the dependent construct explained by the model. Following established guidelines, R^2 values of 0.75, 0.50, and 0.25 denote strong, moderate, and weak explanatory power, respectively (Hair et al., 1998). Bootstrapping in Smart PLS generates t-statistics to compare calculated t-values against the critical t-value (1.96 at α = 5%). Hypotheses are accepted if the t-statistic exceeds 1.96 or the p-value is less than 0.05, confirming a significant relationship between latent variables (Ghazali, 2014). Bootstrapping also mitigates non-normality issues in the data distribution.

D. Result & Discussion

D.1. Result

Respondent Characteristics Based on Gender

Respondent characteristics based on gender can be seen in the table below:

Table 1. Respondent Characteristics Based on Gender

Gender	Frequency	Percentage
Man	54	54%
Woman	46	46%
Amount	100	100%

Based on the table above, the sample in this study consisted of 54 male respondents and 46 female respondents. This means that the majority of entrepreneurial respondents were male, at 54%.

Respondent Characteristics Based on Occupation

The characteristics of respondents based on occupation can be seen in the table below:

Table 2. Respondent Characteristics Based on Occupation

Work	Frequency	Percentage
Private sector employee	30	30%
Businessman	34	34%
Civil servants	23	23%
Other	13	13%
Amount	100	100%

Respondent Characteristics Based on Income

The characteristics of respondents based on income can be seen in the table below:

Table 3. Respondent Characteristics Based on Income

Income	Frequency	Percentage
1.000.000 - 2.500.000	22	22%
2.600.000 - 3.500.000	35	35%
3.600.000 - 4.000.000	27	27%
> 4.000.000	16	16%
Amount	100	100%

1. Outer Model

Uji Convergent Validity

Table 4. Convergent Validity

Variables	AVE	Cronbach's alpha	Composite Reliability
Y (ID)	0.703	0.892	0.894
X1 (SFI)	0.808	0.952	0.953
X2 (IK)	0.586	0.824	0.826
X3 (T)	0.738	0.914	0.927

Notes: ID: Investment Decision; SFI: Sharia Financial Literacy; IK: Investment Knowledge; T: Technology

The criteria for validity and reliability can also be identified through the composite reliability value of a variable and the average variance extracted (AVE) of each variable. A variable is considered to exhibit good reliability if its composite reliability exceeds 0.7 and its AVE is greater than 0.5. Based on the preceding table, it can be concluded that all variables meet the composite reliability criteria, as their values surpass the recommended threshold of 0.7, clearly reflecting their robust reliability.

The results of the outer model test, presented below, display the outer loading values derived from SmartPLS 4.
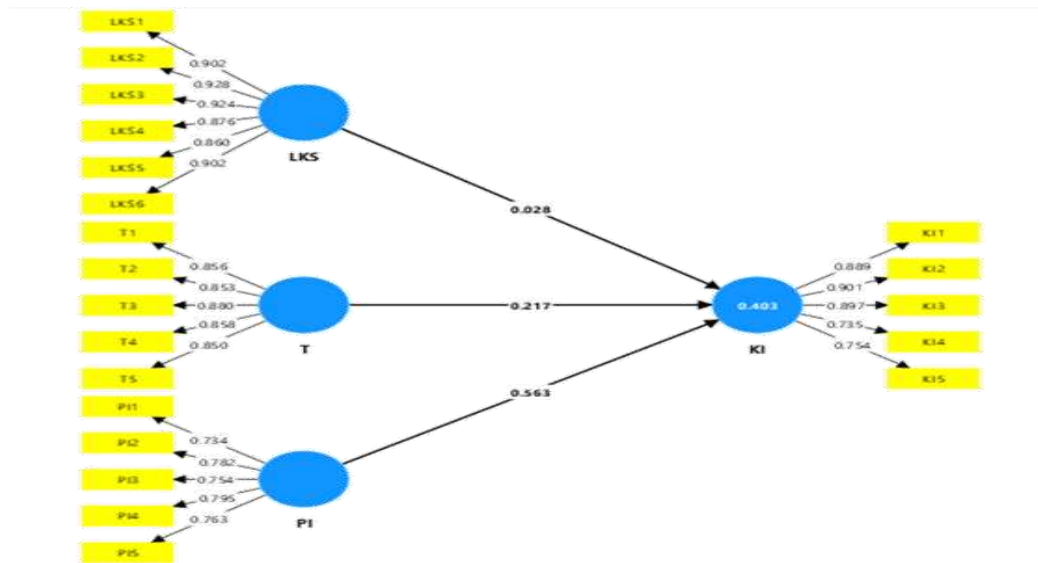
Notes: KI or ID: Investment Decision; LKS or SFI: Sharia Financial Literacy; T: Technology; PI or IK: Investment Knowledge

Source: Primary Data Processed with SmartPLS 4, 2025
Figure 2. Outer Model Test Result

As illustrated in the figure above, the analysis findings indicate that all 21 variables exhibit values exceeding 0.7, thereby confirming the validity of all indicators. The results for the specific indicators Sharia financial literacy, technology, investment knowledge, and investment decisions are detailed in the following table:

Tabel 5. Loading Factor Value of Islamic Financial Literacy, Technology, and Investment Knowledge

Variables	Variable Code	Loading Factor	Validity
Sharia Financial Literacy (SFI)	X1 (SFI1)	0.902	Valid
	X1 (SFI2)	0.928	Valid
	X1 (SFI3)	0.924	Valid
	X1 (SFI4)	0.876	Valid
	X1 (SFI5)	0.860	Valid
	X1 (SFI6)	0.902	Valid
Technology (T)	X2 (T1)	0.856	Valid
	X2 (T2)	0.853	Valid
	X2 (T3)	0.880	Valid
	X2 (T4)	0.858	Valid
	X2 (T5)	0.850	Valid
Investment Knowledge (IK)	X3 (IK1)	0.734	Valid
	X3 (IK2)	0.782	Valid
	X3 (IK3)	0.754	Valid
	X3 (IK4)	0.795	Valid
	X3 (IK5)	0.763	Valid

Notes: SFI: Sharia Financial Literacy; T: Technology; IK: Investment Knowledge

Based on the loading factor results presented in the table above, it can be concluded that the indicators for Sharia financial literacy, technology, investment knowledge, and investment decisions meet the criteria for convergent validity. All factor loadings exceed the established threshold of 0.7, thereby confirming the validity of all indicators.

Discriminant Validity Test

Table 6. Cross Loading Value

Indicators	ID	SFI	IK	T	Results
ID1	0.889	0.267	0.508	0.254	Valid
ID2	0.901	0.265	0.508	0.261	Valid
ID3	0.897	0.215	0.486	0.254	Valid
ID4	0.735	0.254	0.504	0.192	Valid
ID5	0.754	0.290	0.487	0.171	Valid
SFI1	0.275	0.902	0.416	0.028	Valid
SFI2	0.253	0.928	0.368	0.085	Valid
SFI3	0.269	0.924	0.421	0.141	Valid
SFI4	0.302	0.876	0.412	0.185	Valid
SFI5	0.280	0.860	0.405	0.146	Valid
SFI6	0.275	0.902	0.416	0.028	Valid
IK1	0.395	0.390	0.734	-0.002	Valid
IK2	0.468	0.386	0.782	0.016	Valid
IK3	0.462	0.360	0.754	-0.053	Valid
IK4	0.463	0.297	0.795	0.166	Valid
IK5	0.484	0.312	0.763	0.210	Valid
T1	0.186	0.152	0.047	0.856	Valid
T2	0.178	0.149	0.033	0.853	Valid
T3	0.232	0.167	0.074	0.880	Valid
T4	0.271	0.028	0.087	0.858	Valid
T5	0.266	0.043	0.129	0.850	Valid

Notes: ID: Investment Decision; SFI: Sharia Financial Literacy; IK: Investment Knowledge; T: Technology

As shown in the table, each indicator demonstrates the highest cross-loadings on its respective variable compared to cross-loadings on other variables. These results indicate that the indicators employed in this study exhibit strong discriminant validity, confirming their distinctiveness and alignment with their intended constructs.

Composite Reliability Test

Table 7. Realibility dan Validity

Variables	Cronbach's Alpha	Composite Reliability (rho_c)	Average Variance Extracted (AVE)
SFI	0.952	0.962	0.808
T	0.914	0.934	0.738
IK	0.824	0.876	0.586
ID	0.892	0.922	0.703

Notes: SFI: Sharia Financial Literacy; T: Technology; IK: Investment Knowledge; ID: Investment Decision

As presented in the table above, all variables exhibit composite reliability values exceeding 0.7 and Cronbach's alpha values surpassing 0.5. Consequently, it can be concluded that the research model demonstrates sufficient reliability for application.

2. Structural Model Evaluation (*Inner Model*)

Determination Coefficient (R-Square)

Tabel 8. R-Square

Variable	R-square	R-Square Adjusted
Investment Decision	0.403	0.384

The R² value presented in the table above is 0.403, indicating that the variables of Sharia financial literacy, technology, and investment knowledge collectively account for 40.3% of the variance in investment decisions. The remaining variance (59.7%) is attributed to factors beyond the scope of this study.

3. **Hypotesis Testing**
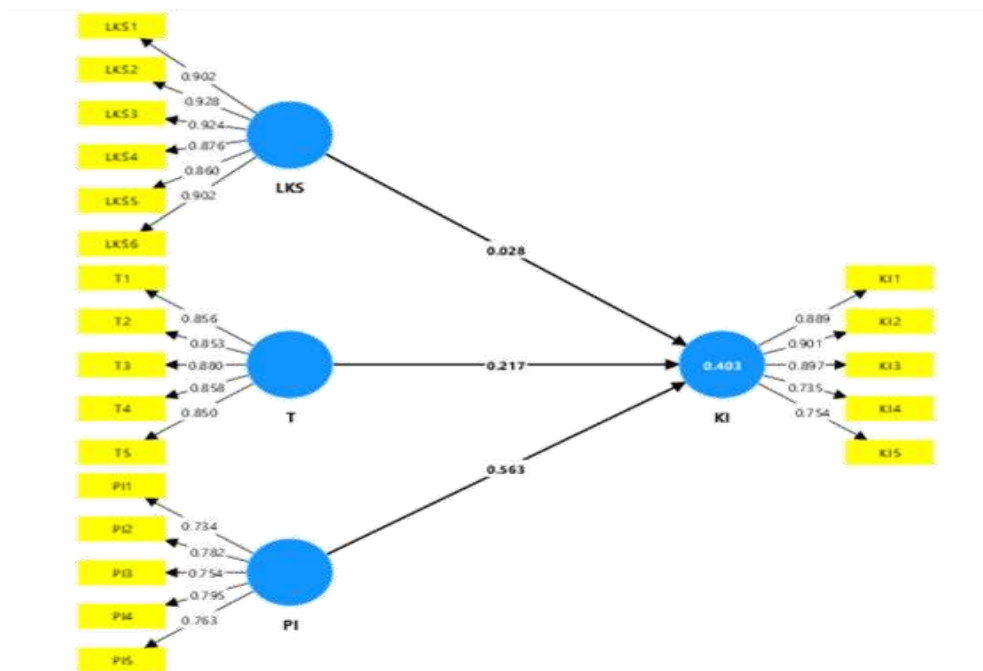
Bootstrapping Test

Figure 3. Variable Bootstrapping between Sharia Financial Literacy, Technology, Investment Knowledge, and Investment Decisions

Tabel 9. Path Coefficients

Variables	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics	P Values
SFI (X1) → Y (ID)	0.028	0.015	0.115	0.242	0.809
T (X2) → Y (ID)	0.217	0.205	0.106	2.041	0.041
IK (X3) → Y (ID)	0.563	0.538	0.136	4.141	0.000

Notes: ID: Investment Decision; SFI: Sharia Financial Literacy; IK: Investment Knowledge; T: Technology

Based on the table above, the variable Sharia financial literacy exhibits a *p*-value of 0.809 (>0.05) and a *t*-statistic of 0.242 (<1.96). These results indicate that Sharia financial literacy has a statistically insignificant negative influence on investment decisions. Consequently, Hypothesis I (H$_1$) is rejected, as the calculated *t*-value falls below the critical *t*-table value of 1.96, and the *p*-value exceeds the 5% significance threshold. In contrast, the technology variable demonstrates a *p*-value of 0.041 (<0.05) and a *t*-statistic of 2.041 (>1.96). This confirms that technology exerts a statistically significant positive influence on investment decisions. Similarly, the investment knowledge variable shows a *p*-value of 0.000 (<0.05) and a *t*-statistic of 4.141 (>1.96), indicating that investment knowledge exerts a strongly significant positive influence on investment decisions.

D.2. Discussion

The Influence of Sharia Financial Literacy on Investment Decisions

The findings reveal that Sharia financial literacy (X1) exerts a positive yet statistically insignificant influence on investment decisions (Y), as evidenced by a *t*-statistic of 0.242, which falls below the critical threshold of 1.96. Additionally, the *p*-value of 0.809 exceeds the 5% significance level (α = 0.05), further confirming that Sharia financial literacy does not significantly impact investment decisions. These results suggest that, while Sharia financial literacy demonstrates a marginally positive directional effect, it fails to reach the required significance threshold in influencing the investment decisions of millennials in Jambi City.

Sharia financial literacy refers to an individual's ability to utilize financial knowledge, skills, and attitudes in managing financial resources in accordance with Islamic principles derived from the Qur'an and Hadith. Presently, Sharia financial literacy remains a novel concept within the broader domain of financial literacy (El Ikhwan, 2023).

This study aligns with the findings of Nurisnayanti and Sevriana (2023), who similarly concluded that Sharia financial literacy lacks a significant effect on investment decisions.

The Influence of Technology on Investment Decisions

The findings indicate that technology (X2) exerts a positive and statistically significant influence on investment decisions (Y), as demonstrated by a *t*-statistic of 2.041, which exceeds the critical threshold of 1.96. Additionally, the *p*-value of 0.041 falls below the 5% significance level (α = 0.05), confirming that technology significantly impacts investment decisions. Consequently, Hypothesis II (H2) is supported, concluding that technological engagement positively and significantly influences the investment decisions of millennials in Jambi City.

Information technology (IT) refers to systems designed to process, manage, store, retrieve, and transform data to generate actionable or high-quality information. According to the Information Technology Association of America (ITTA), IT encompasses the study, design, implementation, development, and management of computer-based information systems, particularly focusing on hardware and software applications (Rachmadi, 2020).

Thus, it is evident that technology plays a pivotal role in shaping investment decisions among millennials in Jambi City. This conclusion aligns with the research of Waty et al. (2023), who assert that advancements in information technology significantly influence investment behavior.

The Influence of Investment Knowledge on Investment Decisions

The findings reveal that investment knowledge (X3) exerts a positive and statistically significant influence on investment decisions (Y), as evidenced by a *t*-statistic of 4.141, which surpasses the critical threshold of 1.96. Additionally, the *p*-value of 0.000 is well below the 5% significance level ($\alpha = 0.05$), confirming the significant impact of investment knowledge on investment decisions. Consequently, Hypothesis III (H3) is supported, concluding that investment knowledge positively and significantly influences the investment decisions of millennials in Jambi City.

Investment knowledge refers to information regarding the strategic allocation of resources or capital to generate future returns. This knowledge is acquired through education, literature, and experiential learning, which individuals internalize to inform their investment choices. It encompasses processed information that enhances understanding and drives informed decision-making in investment activities (Fitriasuri & Maharani, 2022).

Thus, investment knowledge significantly shapes investment decisions among millennials in Jambi City. This study highlights that investment knowledge equips individuals with critical insights necessary for navigating Sharia capital markets, such as risk assessment and ethical compliance. These findings align with Sahabuddin's (2024) research, which asserts that investment knowledge profoundly impacts investment decision-making processes.

E. Conclusions & Policy Recomendation

This study aims to examine the influence of Sharia financial literacy, technology, and investment knowledge on investment decisions, employing Structural Equation Modeling (SEM) as the analytical framework. Based on the analysis and discussion, the following conclusions are drawn:

1. Despite demonstrating a positive directional relationship, Sharia financial literacy does not exert a statistically significant influence on investment decisions among millennials in Jambi City, as indicated by a *t*-statistic of 0.242 (*p* = 0.809 > 0.05).

2. Technology exhibits a positive and statistically significant impact on investment decisions (*t*-statistic = 2.041, *p* = 0.041 < 0.05). The integration of information technology simplifies and accelerates investment processes, enabling investors to make informed decisions through accessible and efficient platforms.

3. Investment knowledge significantly and positively influences investment decisions (*t*-statistic = 4.141, *p* = 0.000 < 0.05). This underscores its critical role in equipping millennials with the expertise to evaluate Sharia-compliant investment opportunities, mitigate risks, and align choices with financial goals.

4. The study identifies technology and investment knowledge as the primary drivers of investment decisions among millennials in Jambi City's Sharia capital market. These findings offer actionable insights for stakeholders, including policymakers, financial institutions, and researchers, to enhance financial strategies and academic discourse.

The findings of this study underscore the necessity for investors to enhance their financial literacy and technical competencies, particularly in navigating high-risk investment instruments. Investors are advised to adopt a methodical approach by conducting comprehensive fundamental and technical analyses prior to committing capital. Such diligence ensures informed, risk-mitigated decision-making aligned with both financial objectives and market dynamics. To advance the explanatory power of investment decision models, subsequent studies should explore additional predictors beyond Sharia financial literacy, technology, and investment knowledge. Potential variables include behavioral biases (e.g., overconfidence, herd mentality), socioeconomic factors (e.g., income stability, cultural norms), or institutional influences (e.g., regulatory frameworks, fintech accessibility). Integrating these dimensions could improve the model's theoretical robustness and practical relevance, thereby expanding the R^2 value to account for a greater proportion of variance in investment behavior.

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