

Does Minimum Investment Capital Matter? Internal Locus of Control and Investment Interest among Generation Z

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ARTICLE INFORMATION

ABSTRACT

Publication information

Research article

HOW TO CITE

Mentari, N. M. I., Carina, T., & Purnawati, N. L. G. P. (2026). Does minimum investment capital matter? Internal locus of control and the influence of perceived minimum investment interest among Generation Z. *International Journal of Accounting and Finance in Asia Pacific*, 9(3), 1351-1366.

DOI:

<https://doi.org/10.32535/ijafap.v9i3.4823>

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Received: 15 August 2026

Accepted: 16 September 2026

Published: 20 October 2026

The rapid growth of capital market investors in Indonesia has not been accompanied by a proportional increase in investment participation among Generation Z, particularly in Denpasar City. This study examines the effect of internal locus of control on investment interest, investigates the influence of perceived minimum investment capital, and analyzes its moderating role in the relationship between internal locus of control and investment interest. A quantitative research design was employed using a survey of 292 Generation Z respondents in Denpasar City selected through purposive sampling. Data were collected using a structured questionnaire and analyzed using Partial Least Squares–Structural Equation Modeling (PLS-SEM). The findings reveal that internal locus of control and perceived minimum investment capital have a positive and significant effect on investment interest ($b = 0.349$, $p < 0.001$; $b = 0.522$, $p < 0.001$), and perceived minimum investment capital positively moderates the relationship between internal locus of control and investment interest ($b = 0.045$, $p = 0.002$). The study extends the application of the Theory of Planned Behavior (TPB) by demonstrating that the interaction between psychological factors and perceived financial accessibility influences investment interest. In practice, the findings suggest that investment participation among Generation Z can be enhanced through affordable investment entry requirements.

Keywords: Generation Z; Internal Locus of Control; Investment Interest; Perceived Minimum Investment Capital; Theory of Planned Behavior

JEL Classification: G11; G41; D91

INTRODUCTION

The Indonesian capital market has shown rapid growth in recent years. Data from the Indonesian Central Securities Depository shows that the number of capital market investors rose from 2,484,354 in 2019 to 10,000,628 in 2022, with 99.78 percent of these being domestic investors (Bibit Team, 2022). This increase has been driven by several factors, including low interest rates during the COVID-19 pandemic, the ease of technology-based investment access, and the growing use of social media as a means of investment education and promotion (Masridha et al., 2023). These conditions indicate that investment is becoming increasingly accessible to the public and is emerging as a key instrument in achieving long-term financial goals.

Nevertheless, the increase in the number of investors nationwide has not been matched by high investor participation across all regions of Indonesia. Indonesian Central Securities Depository data from December 2024 shows that 54.83 percent of investors are from the under-30 age group, which is dominated by Generation Z (Badan Pusat Statistik [BPS], 2020). However, the Bali–Nusa Tenggara region accounts for only 3.36 percent of the total number of investors nationwide. In fact, Bali has relatively high economic growth, with the tourism sector as the main driver, which has the potential to stimulate investment interest among the younger generation, particularly in Denpasar (Sengge, 2024). However, the results of a preliminary study of 122 members of Generation Z in Denpasar actually show that interest in investment remains low. A total of 83 percent of respondents had never invested, and 59 percent rarely sought investment information. This low level of interest is influenced by perceptions of risk, limited income, low investment literacy, a lack of information, and concerns about investment fraud.

According to the Theory of Planned Behavior (TPB), a person's intention to behave in a certain way is influenced by their beliefs regarding their own capabilities (Ajzen, 1991; Fishbein & Ajzen, 1975). One of the psychological factors at play is an internal locus of control, namely the belief that success is determined by an individual's own efforts and decisions (Setianingsih et al., 2022). The results of a preliminary study indicate that 91 percent of respondents believe that financial success depends on their own decisions. Individuals with an internal locus of control tend to be more confident in making investment decisions, more active in seeking information, and motivated to improve their investment knowledge. These findings are supported by Ariyani & Astuti (2024) and Wilda et al. (2025), but contradict the results of the study by Anjellah and Umah (2024), which found no significant influence of an internal locus of control on interest in investment.

In addition to psychological factors, investment decisions are also influenced by financial aspects, one of which is the perceived minimum investment capital. Most members of Generation Z still believe that investing requires a large amount of capital, which acts as a barrier to starting to invest. To overcome this obstacle, the Indonesia Stock Exchange, through its 'Yuk Nabung Saham' program, has set the initial investment capital at Rp100,000, making investment more affordable. A low minimum investment is expected to enhance the perception of ease and reduce financial risk, thereby encouraging interest in investment. Research by Fauzianti & Retnosari (2022) and Sari et al. (2021) supports this relationship, whilst Amrul & Wardah (2020) and Wahyuningtias & Pakaya (2024) found different results. The results of the preliminary study also show that 76 percent of respondents have discussed investment. This finding indicates that the low level of interest in investment is not caused by a lack of interest, but rather by low self-confidence in making investment decisions and limited capital. Therefore, the minimum capital

requirement is thought to strengthen the influence of an internal locus of control on interest in investment.

Previous studies have examined various determinants of investment behavior among younger generations. In a study by [Junaeni \(2020\)](#), for example, knowledge, risk, income, capital market training, and motivation significantly influenced investment decisions among millennials. Similarly, research on young investors has highlighted the importance of investment-related literacy in preparing individuals to manage their financial resources for investment ([Putri et al., 2019](#)). In addition, investors' perceptions and attitudes toward the stock market have been shown to be relevant in understanding investment-related behavior ([Teoh et al., 2021](#)).

Given this phenomenon, there remain inconsistencies in research findings regarding the influence of internal locus of control and perceived minimum capital on investment interest. Furthermore, studies examining the role of perceived minimum capital as a moderating variable in the relationship between internal locus of control and investment interest among Generation Z, particularly in Denpasar, remain limited. Therefore, this study aims to analyze the influence of internal locus of control on investment interest, the influence of perceived minimum capital on investment interest, and to test the moderating role of perceived minimum capital in the relationship between internal locus of control and investment interest among Generation Z in Denpasar. This study offers a novel contribution by testing perceived minimum capital as a moderating variable that integrates psychological and financial factors in explaining Generation Z's interest in investment. The research findings are expected to enrich the development of the TPB in the context of investment behavior and to provide input for the government, regulators, and financial institutions in designing more inclusive investment policies and products for Generation Z.

LITERATURE REVIEW

Theory of Planned Behavior (TPB)

TPB, developed by [Ajzen \(1991\)](#), explains that an individual's behavior is preceded by a behavioral intention to carry out an action. This intention is influenced by three main factors, namely attitude towards behavior, subjective norm, and perceived behavioral control. Individuals tend to have a stronger intention when they perceive a behavior to be beneficial, receive support from their environment, and feel they possess the ability and resources to carry it out ([Ajzen, 1991](#)). In the context of investment, the TPB explains that an individual's interest in investing is influenced by their belief in the benefits of investment, social support, and the perception that investment can be undertaken using their existing capabilities and resources.

Investment Interest

Investment interest refers to an individual's desire to seek information, learn about, and make investments as part of financial decision-making ([Firmansyah et al., 2024](#)). From a TPB perspective, investment interest represents behavioral intention, namely an individual's readiness to invest before investment behavior is actually carried out. Individuals with a high level of investment interest will be more active in researching various investment instruments, evaluating the risks and benefits of investment, and are more likely to start investing.

Internal Locus of Control

Internal locus of control is an individual's belief that success or failure in their life is primarily determined by their own abilities, efforts, and decisions ([Sitorus & Adlina, 2024](#)). Individuals with a high internal locus of control tend to be more self-confident, proactive

in seeking information, and take responsibility for the financial decisions they make. According to the TPB, these characteristics reflect a high level of perceived behavioral control, namely the belief that an individual is capable of engaging in a particular behavior. Consequently, individuals with a high internal locus of control tend to have a greater interest in investing because they believe that investment success is within their control.

Perceived Minimum Investment Capital

Minimum capital is the initial amount of funds that an investor must provide to open an investment account (Adibroto, 2023). In this study, minimum capital is understood as an individual's perception of the affordability and accessibility of the initial investment capital required in the capital market. This perception reflects an individual's assessment of whether the initial investment capital can be met in line with their financial capacity, does not place a financial burden on them, and provides ease and flexibility to commence or continue investment activities. Thus, the minimum capital variable relates not only to the nominal amount of the initial capital but also to how individuals view this capital as a factor influencing their decision to invest.

Internal Locus of Control and Investment Interest

In this study, internal locus of control can be linked to an individual's belief that the outcomes of investment decisions are within their control. This belief can reinforce a positive evaluation of investment activities and increase the individual's confidence in their ability to control their investment decisions and their consequences. Empirical evidence shows that individuals with stronger internal locus of control are more likely to participate in equity investment, indicating the relevance of this psychological characteristic to investment-related behavior (Salamanca et al., 2020). Consequently, the stronger the internal locus of control, the greater the likelihood that an individual will form the intention to invest.

However, this effect does not always occur, as the formation of investment intentions is also influenced by conditions that individuals perceive as barriers or resources for engaging in the behavior. In the framework of the TPB, perceived behavioral control reflects individuals' perceptions regarding the ease or difficulty of performing a behavior and therefore contributes to the formation of behavioral intentions (Ajzen, 1991). At this point, perceived minimum investment capital acts as a contextual condition that can alter the strength of the relationship between internal locus of control and investment interest.

Moderating Role of Perceived Minimum Investment Capital

Perceptions of the minimum investment capital reflect the extent to which individuals view the initial capital requirement as a minor or significant hurdle to starting an investment. Research on household financial participation indicates that financial resources and liquidity constraints are relevant to individuals' decisions to participate in risky financial markets, suggesting that the perceived feasibility of meeting financial requirements can affect investment participation (Guiso et al., 2003; Kong et al., 2021).

The higher the perceived minimum investment capital, the greater the perception that the minimum investment capital is affordable and manageable. This situation can make it easier for the internal belief that investment decisions and outcomes are within an individual's control to translate into an intention to invest. In other words, individuals with a high internal locus of control will be better able to translate that belief into a desire to invest because the perceived barriers to capital are relatively small or capital is accessible, and vice versa.

Therefore, perceived minimum investment capital is not merely a factor that directly influences investment interest, but rather a condition that determines the extent to which an individual's internal conviction can be translated into an intention to invest. TPB is appropriate as the grand theory of this study because it explains how individuals' beliefs and perceived control shape behavioral intentions. In the context of investment, TPB provides a relevant theoretical foundation for explaining how internal locus of control and perceived minimum investment capital influence Generation Z's investment interest.

Hypotheses Development

The Influence of Internal Locus of Control on Investment Interest

According to the TPB, an individual's perception of their own ability to perform an action (perceived behavioral control) plays a key role in shaping behavioral intentions. Individuals with an internal locus of control believe that investment success is determined by their own efforts and the decisions they make. This belief boosts their confidence in seeking information, learning about investments, and making investment decisions. Findings by [Ariyani & Astuti \(2024\)](#) and [Wilda et al. \(2025\)](#) indicate that an internal locus of control has a positive effect on interest in investment. Based on this reasoning, this study proposes the following hypothesis.

H1: An internal locus of control has a positive effect on interest in investment.

The Influence of Perceived Minimum Capital on Investment Interest

An affordable minimum capital requirement reduces financial barriers, making investment seem easier to undertake. According to the TPB, this situation increases perceived behavioral control, which in turn fosters the intention to invest. Individuals who perceive the initial investment capital to be affordable will be more confident about starting to invest, as the perceived financial risk is lower. Therefore, the more positive an individual's perception of the minimum investment capital, the higher their interest in investing. Research by [Fauzianti & Retnosari \(2022\)](#) and [Sari et al. \(2021\)](#) supports this relationship. Based on this reasoning, this study proposes the following hypothesis.

H2: Perceived Minimum capital has a positive effect on investment interest.

The Moderating Role of Perceived Minimum Capital

Perceived minimum investment capital is expected to positively moderate the relationship between internal locus of control and investment interest. Drawing on the TPB, behavioral intention is shaped partly by perceived behavioral control, which reflects an individual's perception of the ease or difficulty of performing a behavior ([Ajzen, 1991](#)). Individuals with a strong internal locus of control tend to believe that their actions and decisions can influence investment outcomes, and empirical evidence shows that internal locus of control is positively associated with participation in equity investment ([Salamanca et al., 2020](#)). This belief may strengthen their perceived control over investment decisions and subsequently increase their interest in investing.

However, the extent to which this internal belief is translated into investment interest may depend on how individuals perceive the minimum capital required to initiate investment. Perceived minimum investment capital represents the extent to which individuals view the required initial capital as affordable, manageable, and within their perceived financial capability. When the minimum investment capital is perceived as more affordable and manageable, the financial barrier to initiating investment becomes less salient. This is consistent with TPB research showing that perceived behavioral control is relevant to the strength with which individuals translate their beliefs and intentions into behavioral outcomes ([Hagger et al., 2022](#)).

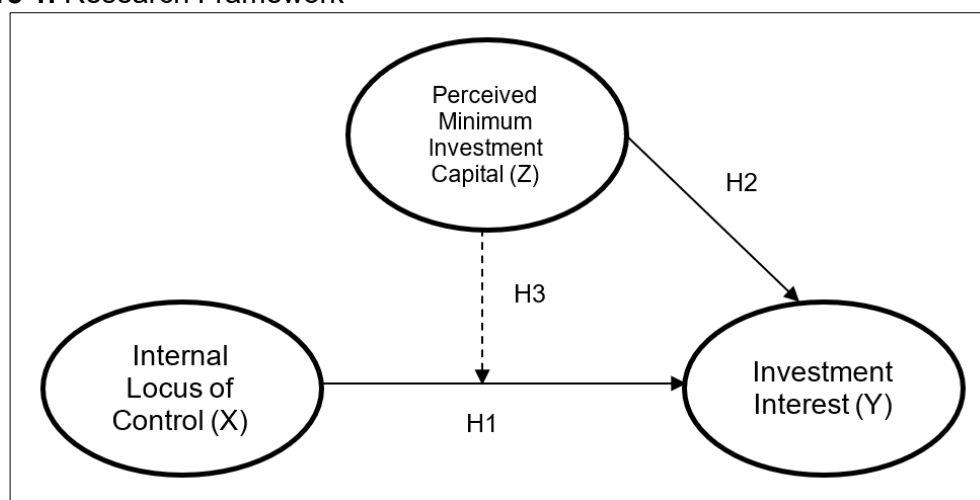
Under this condition, individuals with a stronger internal locus of control are more likely to translate their sense of personal control into investment interest because investing is perceived as both controllable and feasible. Therefore, the positive moderating effect implies that the relationship between internal locus of control and investment interest becomes stronger as individuals perceive the minimum investment capital as increasingly affordable and manageable.

H3: The perceived minimum capital requirement strengthens the influence of an internal locus of control on investment interest.

Conceptual Framework

The study framework model is depicted in Figure 1. The conceptual framework illustrates three hypothesized relationships. First, internal locus of control is expected to positively influence investment interest, as individuals who perceive greater control over investment outcomes are more confident in engaging in investment activities. Second, perceived minimum investment capital is expected to positively influence investment interest because perceiving the required initial capital as affordable and manageable reduces perceived financial barriers to investment. Third, perceived minimum investment capital is proposed to positively moderate the relationship between internal locus of control and investment interest. When the minimum investment capital is perceived as more affordable and manageable, individuals with stronger internal locus of control are more likely to translate their perceived control into stronger investment interest.

Figure 1. Research Framework



RESEARCH METHOD

Research Approach

This study employed a quantitative research approach to examine the influence of internal locus of control on investment interest and the moderating role of perceived minimum investment capital among Generation Z in Denpasar City. The quantitative approach employs deductive logic, whereby hypotheses are developed on the basis of the theory underpinning this research.

Research Design

This study employs a cross-sectional survey with an explanatory research design to examine the influence of internal locus of control on Generation Z's investment interest and the moderating role of perceived minimum investment capital. Data are collected at a single point in time to empirically test the proposed relationships and hypotheses.

Sampling

The unit of analysis was individual members of Generation Z residing in Denpasar City. The sample was selected using purposive sampling, a sampling technique based on specific considerations aimed at ensuring that the data obtained would be more representative (Sugiyono, 2025). The sample was selected based on the criterion of having reached the early adulthood stage, specifically individuals aged 18 years or older. This criterion is necessary because members of Generation Z are between the ages of 13 and 28, so a minimum age limit must be set for respondents. This age criterion was selected because individuals aged 18 years have reached early adulthood and are legally eligible to participate in investment activities.

According to data from Statistics Indonesia, the population consisted of 228,300 Generation Z individuals in Denpasar City. To determine the sample size, the [Isaac and Michael \(1981\)](#) sampling formula was used, which is based on the population size and a 10% margin of error, resulting in a minimum required sample size of 270. In this study, 293 respondents completed the questionnaire; however, only 292 respondent datasets could be analyzed further. The final sample comprised 292 respondents, exceeding the minimum required sample size.

Data Collection

Prior to the survey, preliminary interviews were conducted to identify the investment behavior and characteristics of the target respondents. Secondary data were obtained from Statistics Indonesia and the Indonesia Central Securities Depository to support the research background and describe the research population. Primary data were collected using a structured questionnaire distributed to Generation Z respondents in Denpasar City.

Measures

The questionnaire consisted of three latent variables measured using a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). Internal locus of control was measured using a modified instrument developed by [Wulandari \(2006\)](#), consisting of indicators related to hard work, initiative, problem solving, effective thinking, and belief that success results from personal effort. Investment interest was measured using a modified instrument from [Widhiastuti and Novianda \(2024\)](#), including indicators of interest, desire, and confidence to invest. Perceived minimum investment capital was measured using a modified instrument adapted from [Saputra and Purba \(2021\)](#), covering respondents' perceptions regarding the affordability of minimum investment capital, minimum share purchase requirements, and flexibility in managing investment capital. The indicator sources are presented in [Table 1](#).

Table 1. Indicator Source

Variables	Source	Number of Items
Internal Locus of Control	Wulandari (2006)	5
Perceived Minimum Investment Capital	Saputra & Purba (2021) , modified	5
Investment Interest	Widhiastuti & Novianda (2024) , modified	3

Data Analysis

Data were analyzed using Structural Equation Modeling (SEM) with the Partial Least Squares (PLS) approach. SEM-PLS was selected because it is suitable for prediction-oriented studies involving latent variables and does not require multivariate normality assumptions. The analysis consisted of evaluating the measurement model through validity and reliability testing, followed by evaluation of the structural model to test the proposed hypotheses. Statistical significance was determined using bootstrapping with

a significance level of 5% ($p < 0.05$). The moderating effect of perceived minimum investment capital was further evaluated using effect size (f^2), where values of 0.02, 0.15, and 0.35 indicate small, medium, and large effects, respectively (Hair et al., 2021).

RESULTS

Respondents' Profile

Table 2. Respondents' Profile

Characteristics	Category	Frequency	Percentage (%)
Age (years)	18	66	22.6
	19	72	24.7
	20	47	16.1
	21	55	18.8
	22	34	11.6
	23	4	1.4
	24	10	3.4
	25	2	0.7
	28	2	0.7
Gender	Female	191	65.4
	Male	101	34.6
Total		292	100

Table 2 presents the profile of the 292 respondents. The respondents were predominantly aged 19 years (24.7%), followed by 18 years (22.6%) and 21 years (18.8%). Regarding gender, female respondents accounted for 65.4% of the sample, while male respondents represented 34.6%. The distribution indicates that the sample is largely composed of young respondents within the Generation Z age group, providing an appropriate representation of the target population for examining investment interest among young individuals.

Measurement Model

The measurement model was evaluated using convergent validity, discriminant validity, and reliability tests.

Table 3. Outer Loading

Construct	Indicator	Outer Loading
Perceived Minimum Investment Capital	M1–M8	0.734–0.822
Internal Locus of Control	X1–X10	0.733–0.786
Investment Interest	Y1–Y6	0.762–0.815
Perceived Minimum Investment Capital × Internal Locus of Control	Interaction construct	1.000

Table 3 shows that the outer loading values for all indicators range from 0.733 to 0.822, while the interaction construct has a loading of 1.000. All indicator loadings exceed the commonly used minimum of 0.70, indicating that each indicator has an adequate contribution to measuring its respective construct. Therefore, the indicators for Internal Locus of Control, Investment Interest, and Perceived Minimum Investment Capital demonstrate satisfactory convergent indicator reliability. The interaction construct also meets the requirement based on its reported loading of 1.000.

Table 4. Reliability and Average Variance Extracted (AVE)

Construct	Cronbach's Alpha	rho_A	Composite Reliability	AVE
Internal Locus of Control	0.920	0.920	0.933	0.581

Investment Interest	0.881	0.881	0.910	0.627
Perceived Minimum Investment Capital	0.910	0.911	0.927	0.615

Based on Table 4, all three constructs show good internal consistency. Cronbach's alpha values range from 0.881 to 0.920, and composite reliability values range from 0.910 to 0.933, all above 0.70. The rho_A values (0.920, 0.881, and 0.911) likewise indicate satisfactory reliability. Furthermore, the average variance extracted (AVE) values are 0.581 for Internal Locus of Control, 0.627 for Investment Interest, and 0.615 for Perceived Minimum Investment Capital; all exceed 0.50. This indicates that each construct explains more than half of the variance of its indicators, supporting convergent validity.

Table 5. Heterotrait–Monotrait Ratio (HTMT)

Construct Pair	HTMT
Investment Interest ↔ Internal Locus of Control	0.700
Perceived Minimum Investment Capital ↔ Internal Locus of Control	0.482
Perceived Minimum Investment Capital ↔ Investment Interest	0.221

Based on Table 5, the HTMT ratios are 0.700, 0.482, and 0.221. All values are below the commonly used threshold of 0.90 (and also below the more conservative 0.85 threshold). Thus, the constructs demonstrate adequate discriminant validity based on HTMT: Internal Locus of Control, Investment Interest, and Perceived Minimum Investment Capital are empirically distinguishable from one another.

Structural Model

The structural model evaluation indicates that the proposed model has strong explanatory power. Table 6 shows that the coefficient of determination (R^2) for investment interest is 0.889, indicating that 88.9% of the variance in investment interest can be explained by internal locus of control and perceived minimum investment capital, while the remaining 11.1% is explained by variables outside the model.

Table 6. R-Square

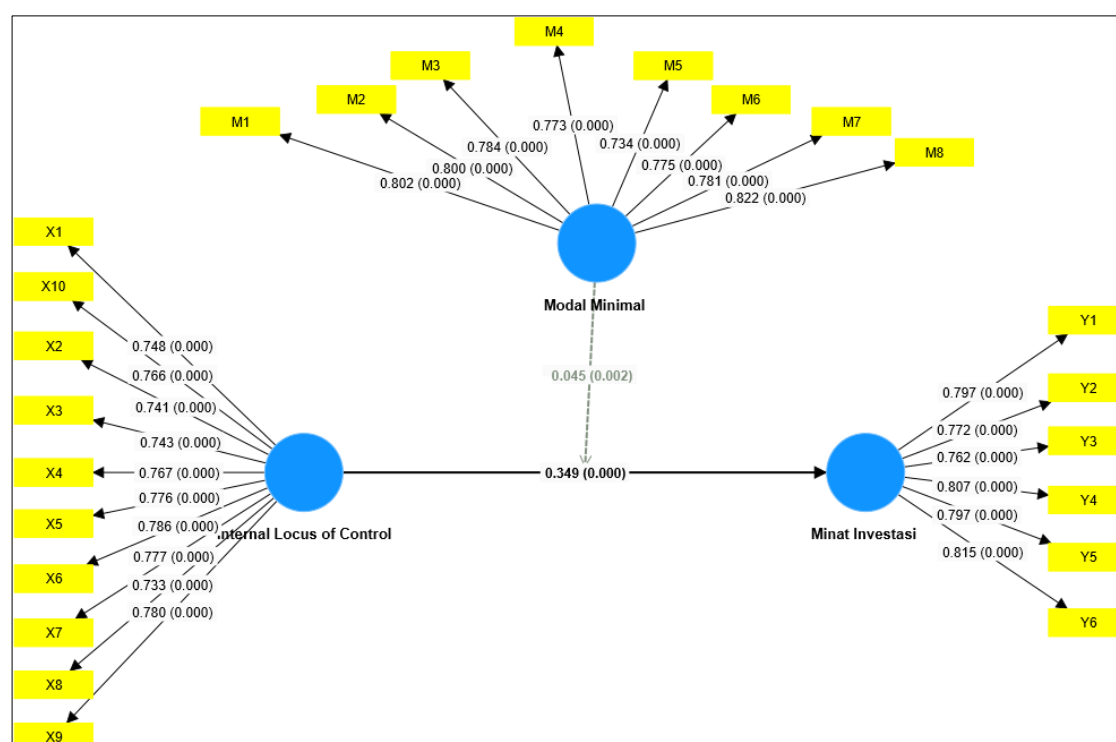
Endogenous Construct	R-Square	Adjusted R-Square
Investment Interest	0.889	0.887

The adjusted R-square of 0.887 indicates that after accounting for the number of predictors, 88.7% of the variance remains explained. Overall, the model demonstrates a high explanatory capability for Investment Interest.

$$\begin{aligned}
 \text{GoF} &= \sqrt{\text{AVE} \times R^2} \\
 &= \sqrt{0.607 \times 0.889} \\
 &= \sqrt{0.539623} \\
 &= 0.7345
 \end{aligned}$$

A Goodness of Fit (GoF) value that approaches 0 (zero) indicates that the model is becoming less accurate; conversely, the farther it moves away from 0 (zero) and the closer it gets to 1 (one), the better the model is. Furthermore, the model achieved a GoF value of 0.7345, indicating that the proposed structural model demonstrates good overall model fit, as illustrated in Figure 2.

Figure 2. Structural Model



Hypothesis Testing

Table 7. Hypothesis Result

	Construct	β	t	p	Decision
H1	Internal Locus of Control → Investment Interest	0.349	4.471	<0.001	Supported
H2	Perceived Minimum Investment Capital → Investment Interest	0.522	6.960	<0.001	Supported
H3	Interaction → Investment Interest	0.045	2.907	0.002	Supported

As presented in Table 7, the hypothesis testing results reveal that all proposed hypotheses are supported. In accordance with the first hypothesis (H1), Internal locus of control has a positive and significant effect on investment interest ($\beta = 0.349$; $t = 4.471$; $p < 0.001$). Perceived minimum investment capital also has a positive and significant effect on investment interest ($\beta = 0.522$; $t = 6.960$; $p < 0.001$), which means that the second hypothesis (H2) is accepted. Among the two direct relationships, perceived minimum investment capital demonstrates the strongest influence on investment interest. Moreover, the interaction effect between internal locus of control and perceived minimum investment capital is statistically significant ($\beta = 0.045$; $t = 2.907$; $p = 0.002$), indicating that perceived minimum investment capital positively moderates the relationship between internal locus of control and investment interest (H3).

DISCUSSION

Internal Locus of Control and Investment Interest

The findings demonstrate that internal locus of control has a positive and significant effect on investment interest. Therefore, H1 is supported. This result indicates that individuals with stronger beliefs that financial success depends on their own abilities and decisions tend to exhibit higher investment interest. According to the Theory of Planned Behavior (Ajzen, 1991), this finding can be explained through the concept of perceived behavioral control. Individuals with a high internal locus of control perceive themselves as having greater control over investment decisions and believe they are capable of

managing investment risks and achieving financial goals. Consequently, they develop stronger intentions to participate in investment activities.

Generation Z is generally characterized by high digital literacy and easy access to investment information through various online platforms. Individuals who believe that financial outcomes depend primarily on their own efforts are more likely to seek investment knowledge, evaluate available alternatives, and make investment decisions independently. This psychological characteristic strengthens their confidence to begin investing despite the inherent uncertainty of financial markets.

The present finding is consistent with [Salamanca et al. \(2020\)](#), who reported a close relationship between internal locus of control and investment behavior. Similar results were also reported by [Ariyani & Astuti \(2024\)](#), [Onasie & Widodoatmodjo \(2020\)](#), and [Wilda et al. \(2025\)](#), all of whom found that internal locus of control positively influences investment interest. These findings reinforce the proposition of the Theory of Planned Behavior that stronger perceived behavioral control increases individuals' intentions to perform a particular behavior, including investment decisions.

Perceived Minimum Investment Capital and Investment Interest

The results indicate that perceived minimum investment capital has a positive and significant effect on investment interest. Therefore, H2 is supported. These findings support the second hypothesis and suggest that more positive perceptions regarding the affordability of minimum investment capital increase Generation Z's interest in investing.

Within the framework of the Theory of Planned Behavior, minimum investment capital represents an external condition that influences perceived behavioral control. When individuals perceive that the required initial investment is affordable and within their financial capability, they are more confident that investing is feasible. Consequently, investment is perceived as less financially risky and more accessible, thereby strengthening the intention to invest.

For Generation Z, the rapid development of digital investment platforms and the implementation of the Indonesia Stock Exchange's Yuk Nabung Saham program have substantially reduced financial barriers to entering the capital market. The relatively affordable initial investment requirement enables young investors to begin investing without allocating substantial financial resources. Therefore, minimum investment capital is no longer perceived as an obstacle but rather as an opportunity that facilitates investment participation.

These findings are consistent with [Hendrayanti & Shavira \(2023\)](#), [Maulida & Pospos \(2021\)](#), and [Widiastiti & Yudiantara \(2023\)](#), who reported that minimum investment capital positively influences investment interest. The present study therefore strengthens previous empirical evidence that affordable initial investment requirements contribute to increasing investment interest, particularly among Generation Z.

The Moderating Role of Perceived Minimum Investment Capital

The findings further indicate that perceived minimum investment capital positively moderates the relationship between internal locus of control and investment interest. Therefore, H3 is supported. This result suggests that individuals with high internal locus of control demonstrate stronger investment interest when they perceive that the required initial investment is affordable.

According to the Theory of Planned Behavior, individuals possessing high internal locus of control already have strong confidence in their ability to manage investment decisions.

However, this confidence may not necessarily translate into investment intention if substantial financial barriers remain. Affordable minimum investment capital reduces these perceived barriers and strengthens perceived behavioral control, thereby enabling individuals to translate their confidence into stronger investment interest.

The moderating effect observed in this study indicates that psychological factors alone are insufficient to explain investment interest. Instead, supportive financial conditions are required to maximize the influence of psychological readiness. In other words, individuals who believe in their own financial capabilities become even more interested in investing when the minimum investment requirement is perceived as affordable and accessible.

This finding is consistent with [Hidayanti et al. \(2024\)](#), who reported that minimum investment capital plays an important role in encouraging investment interest. The present study extends previous findings by demonstrating that perceived minimum investment capital functions not only as a direct determinant of investment interest but also as a contextual factor that strengthens the positive influence of internal locus of control on investment interest among Generation Z.

Theoretical Contributions

From a theoretical perspective, this study extends the application of the Theory of Planned Behavior in explaining investment interest among Generation Z. While previous studies primarily emphasized the role of psychological factors in shaping investment intention, the present study demonstrates that perceived minimum investment capital serves not only as a direct determinant of investment interest but also as a contextual factor that strengthens the influence of internal locus of control. These findings suggest that perceived behavioral control is influenced by the interaction between internal psychological characteristics and external financial conditions. Consequently, the study enriches the application of the Theory of Planned Behavior in the context of individual investment behavior.

Practical Contributions

From a practical perspective, the findings imply that efforts to increase investment participation among Generation Z should not rely solely on financial literacy programs. Regulators and capital market institutions, including the Indonesia Stock Exchange (IDX), the Financial Services Authority, and securities companies, should continue maintaining affordable minimum investment requirements while simultaneously strengthening investment education. Affordable investment entry requirements reduce perceived financial barriers, whereas educational initiatives enhance individuals' confidence in making investment decisions. The combination of these strategies is expected to encourage broader investment participation among young investors.

CONCLUSION

This study demonstrates that internal locus of control and perceived minimum investment capital are important determinants of investment interest among Generation Z in Denpasar City. Individuals who believe that financial success depends on their own abilities and decisions tend to exhibit stronger investment interest. In addition, more positive perceptions regarding the affordability of minimum investment capital significantly increase investment interest.

The findings also confirm that perceived minimum investment capital positively moderates the relationship between internal locus of control and investment interest. This indicates that the influence of psychological factors on investment interest becomes

stronger when individuals perceive that the required initial investment is affordable and financially accessible.

Theoretically, this study extends the application of the Theory of Planned Behavior by demonstrating that perceived behavioral control is jointly shaped by internal psychological factors and external financial conditions. Practically, the findings suggest that policies aimed at increasing investment participation among Generation Z should integrate affordable investment entry requirements with continuous investment education programs. Such an integrated approach is expected to strengthen investment interest and support broader financial inclusion among young investors.

LIMITATION

This study has several limitations. First, the study focuses only on Generation Z in Denpasar City, limiting the generalizability of the findings to other regions. Second, the cross-sectional survey design captures respondents' perceptions at a single point in time, limiting the ability to examine changes in investment interest over time and draw strong causal inferences. Third, the use of self-reported measures may introduce response bias, social desirability bias, or common method bias because the variables are measured from respondents' own perceptions. Future studies could employ longitudinal designs and combine self-reported data with objective measures to strengthen causal inference and measurement validity. Finally, the model includes only internal locus of control and perceived minimum investment capital in explaining investment interest. Future research could incorporate additional psychological and financial variables, such as financial literacy, risk perception, financial self-efficacy, and financial technology adoption, to provide a more comprehensive understanding of investment behavior among young investors.

ACKNOWLEDGMENT

The authors would like to express their gratitude to God and for the support provided by family members throughout the development of this research. The authors would also like to thank colleagues and acquaintances for their valuable input in improving this research.

DECLARATION OF CONFLICTING INTERESTS

The authors declare that no significant conflict of interest occurred during the preparation of this article.

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