

ABSTRACT

This study aims to analyze the effect of financial literacy and overconfidence on investment decisions with the mediation of risk tolerance and the moderation of gender among Generation Z in Bandung. The background of this research is based on the low financial literacy among Generation Z, which can lead to difficulties in making appropriate investment decisions and increase the risk of financial fraud. In this context, financial literacy and overconfidence are crucial factors influencing investment behavior.

This research uses a quantitative method with a survey approach. The population of the study consists of Generation Z investors in Bandung, with a sample of 120 respondents selected through purposive sampling. Data collection was conducted through the distribution of questionnaires designed to measure financial literacy, overconfidence, risk tolerance, and investment decisions. Data analysis employed Structural Equation Modeling-Partial Least Square (SEM-PLS) technique to test the proposed hypotheses.

The results of the study indicate that financial literacy and overconfidence significantly affect investment decisions. Risk tolerance is proven to be a significant mediating variable in the relationship between financial literacy and overconfidence on investment decisions. However, gender does not significantly moderate this relationship. This research provides valuable insights into the factors influencing investment decisions among Generation Z and can serve as a foundation for developing more effective financial education strategies and programs that support better investment decision-making for the youth in Bandung.

Keyword: *Financial Literacy, Overconfidence, Investment Decision, Risk Tolerance, Gender.*