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Factors Influencing Generation Z's Intention to Invest in Islamic Mutual Funds

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Abstract

Despite the rapid expansion of Indonesia's Islamic capital market, investment participation among Muslim Generation Z remains relatively limited, highlighting the need to identify the factors influencing their intention to invest in Islamic mutual funds. This article aims to examine how Islamic financial literacy, religiosity, and risk perception affect Generation Z's investment intention. A quantitative approach was employed using a survey of 114 Generation Z students from a Faculty of Islamic Economics and Business in Indonesia selected through purposive sampling. Data were analyzed using multiple linear regression to assess the influence of each independent variable on investment intention. The findings indicate that Islamic financial literacy and risk perception have a positive and significant effect on investment intention, whereas religiosity does not have a significant partial effect. These results suggest that Generation Z's intention to invest in Islamic mutual funds is shaped primarily by financial knowledge and risk evaluation rather than religiosity alone. The study implies that strengthening Islamic financial literacy and risk-awareness programs may contribute to increasing Generation Z participation in the Islamic capital market.

INTRODUCTION

The global Islamic finance industry has shown significant growth as public awareness increases regarding the importance of financial instruments that are not only oriented toward financial gain but also take into account ethical considerations, sustainability, and adherence to religious values (Sofiyana, 2025). From an Islamic economic perspective, investment is an economic activity aimed at optimizing the productive use of wealth through mechanisms that avoid the elements of riba, *gharar*, and *maysir* (Niawati & Andriani, 2025). Investment is not merely viewed as a means to generate profit but also as a form of responsibility in fostering the common good (*maslahah*) for both individuals and society (Rohmah, 2025; Sholahudin & Rusyana, 2026). Therefore, a Muslim's investment decisions are influenced not only by rational economic considerations but also by their level of financial knowledge, religious values, and ability to assess investment risks.

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In Indonesia, the development of the sharia capital market continues to show a positive trend, as evidenced by the increasing number of investors and sharia investment instruments (Annisa et al., 2025). However, this growth has not been fully accompanied by high investment participation among Generation Z. As a generation born and raised in the digital age (digital natives), Generation Z has broad access to various investment platforms, social media, and financial information. Nevertheless, easy access to information does not always lead to optimal investment decisions, as young investors still face limitations in understanding the characteristics of investment products, evaluating risks, and distinguishing credible information from persuasive content. These conditions indicate that interest in Islamic investing is influenced not only by the availability of information but also by cognitive, spiritual, and psychological factors that shape individual investment behavior.

From a behavioral finance perspective, investment decisions are not fully explained by the assumption of economic rationality but are also influenced by psychological factors and individual characteristics, such as risk perception, experience, beliefs, and the ability to understand financial information (Maida et al., 2026). This perspective aligns with the Theory of Planned Behavior developed by Icek Ajzen, which explains that behavioral intentions are influenced by attitudes toward the behavior, subjective norms, and perceptions of behavioral control (Mihartinah & Coryanata, 2019). The Theory of Planned Behavior explains that intention is the primary predictor of actual behavior; consequently, it is widely used to explain various economic and investment decisions (Ilya & Nurohman, 2025). In the context of sharia investing, sharia financial literacy can represent perceived behavioral control; religiosity reflects attitudes toward investments that align with religious values; and risk perception relates to an individual's beliefs regarding the potential consequences of investment decisions.

Sharia financial literacy is one of the factors believed to play a key role in shaping investment interest. According to Annamaria Lusardi and Olivia S. Mitchell, financial literacy is an individual's ability to acquire, understand, and apply financial knowledge in making sound economic decisions (Rurkinantia, 2021). Individuals with a high level of financial literacy tend to be better able to understand risks, plan their finances, and select investment instruments that align with their financial goals. In the context of Islamic economics, this concept has evolved into "Islamic financial literacy," which encompasses not only an understanding of financial products but also knowledge of contracts, halal investment mechanisms, Sharia compliance, and the principles of Islamic economics (Putri et al., 2025).

In addition to cognitive aspects, religiosity is a factor that distinguishes sharia investment behavior from conventional investment. Religiosity describes the degree to which religious values are internalized, as reflected in an individual's economic attitudes and behavior. According to Salwa & Said, (2025); Wahida et al., (2024), religion plays a role in shaping economic preferences through a system of values and norms that influence an individual's economic choices. These findings are supported by Hakim et al., (2022), who show that religiosity can increase people's tendency to use sharia financial products. However, among Generation Z who tend to be rational and pragmatic religiosity is not always the dominant factor, as investment decisions are also influenced by considerations of profit, security, liquidity, and ease of access to investment products.

Another important factor is risk perception. According to Ramadani & Reza, (2025), risk perception is an individual's subjective assessment of the potential for loss and the uncertainty inherent in an investment decision. From a behavioral finance perspective, investors often make decisions based on perceived risk rather than the actual objective risk (Rahman et al., 2025). In Sharia-compliant investing, risk perception encompasses not only financial risk but also the risk of non-

compliance with Sharia principles and the level of trust in the investment instruments used.

Various previous studies have confirmed the importance of these three factors in explaining investment behavior. A study by Muhammad & Wicaksari, (2025) shows that financial literacy contributes to the quality of investment decision-making. These findings are supported by Rifani et al., (2025); Triana & Yudiantoro, (2022), who concluded that improvements in financial literacy and Islamic capital market literacy have a positive effect on both investment interest and investment decisions. Furthermore, studies by Hastuti, (2025); Sirait et al., (2025) indicate that religiosity plays a role in shaping economic preferences and the use of Islamic financial products. Meanwhile, studies by Buana & Amalia, (2026); Nada & Fikri, (2025) show that risk perception is a factor influencing the quality and confidence of investors in making investment decisions.

Recent literature indicates that Generation Z's interest in sharia-compliant investments cannot be explained by a single factor alone. Research by Sakinah & Canggih, (2026) indicates that financial literacy, social media, influencers, and religiosity simultaneously influence Generation Z's sharia investment decisions. Furthermore, research by Agustin & Hakim, (2022) shows that religiosity can amplify the influence of financial literacy on interest in sharia investments. A systematic review conducted by Pramana & Buono, (2026) also concluded that Islamic financial literacy, religiosity, and trust are the primary determinants of the adoption of sharia-compliant investments among Generation Z and millennials in the digital age. However, a study by Astriana & Jaharuddin, (2026) found different results, indicating that religiosity and risk perception significantly influence decisions regarding Sharia mutual funds, whereas Islamic financial literacy did not show a significant effect.

Based on this literature review, several research gaps form the basis of this study. First, research findings on the influence of Islamic financial literacy, religiosity, and risk perception on interest in sharia-compliant investing remain inconsistent. Second, most previous studies have examined these three variables in isolation and thus have not been able to explain the relationship between the cognitive, spiritual, and evaluative dimensions within a single integrated model of sharia-compliant investment behavior. Third, studies on interest in sharia mutual funds among Muslim Generation Z, particularly students in the Faculty of Islamic Economics and Business who possess formal knowledge of sharia economics, remain relatively limited.

Given these gaps, the novelty of this study lies in the development of an Islamic Investment Intention model through the integration of three main dimensions: Islamic Financial Literacy as the cognitive dimension, Religiosity as the spiritual dimension, and Risk Perception as the evaluative dimension to explain Generation Z's interest in sharia mutual funds. Unlike previous studies, which generally analyzed these variables separately, this study integrates all three within the Theory of Planned Behavior framework to gain a more comprehensive understanding of the Islamic investment behavior of young Muslims.

Based on the above discussion, this study aims to analyze the influence of Islamic financial literacy, religiosity, and risk perception on Generation Z's interest in investing in sharia mutual funds, both partially and simultaneously. The research findings are expected to provide a theoretical contribution to the development of the literature on Islamic financial behavior and to expand the application of the Theory of Planned Behavior in the context of sharia investing. From a practical perspective, the research results are expected to serve as input for regulators, investment managers, sharia financial institutions, and educational institutions in designing strategies to strengthen sharia financial literacy, internalize religious values, and increase risk awareness in order to encourage Generation Z's participation in the sharia capital market.

METHODS

This study was designed to analyze the influence of Islamic financial literacy, religiosity, and risk perception on Generation Z's interest in investing in sharia mutual funds. The study employed a quantitative approach with an explanatory research design, as it aimed to explain the causal relationships among variables based on the Theory of Planned Behavior framework, which posits that behavioral intentions are influenced by various internal factors that shape individual decisions. Research data were collected through a survey using a structured questionnaire distributed to respondents who met the study criteria. Subsequently, the data were analyzed using inferential statistical techniques to test the relationships and influences among the research variables. The use of a quantitative approach and an explanatory design was deemed appropriate because it allowed for objective hypothesis testing and yielded empirical findings that can explain the factors influencing Generation Z's interest in investing in sharia mutual funds.

Methods and Types

This study employs a quantitative approach with an explanatory research design to analyze the influence of Islamic financial literacy, religiosity, and risk perception on Generation Z's interest in investing in sharia mutual funds. A quantitative approach was chosen because the study aims to objectively test the relationships between variables through statistical analysis, while an explanatory research design was used to explain the causal relationships between independent and dependent variables based on the Theory of Planned Behavior framework developed by (Ajzen, 1991). Therefore, this approach is considered appropriate for explaining the factors that influence Generation Z's interest in investing in sharia mutual funds.

Population and Sample

The study population consists of students at one of the Faculties of Islamic Economics and Business in Indonesia who fall into the Generation Z category. Sampling was conducted using purposive sampling with the following criteria: i) active students, ii) aged 18–27 years, iii) familiar with sharia investment products, particularly sharia mutual funds, and iv) willing to participate as research respondents. Based on these criteria, a total of 114 respondents were selected. The purposive sampling technique was used because it allows the researcher to select respondents with characteristics aligned with the study's objectives, ensuring that the data collected is more relevant and representative of the phenomenon under investigation (Sandelowski, 2000).

Data Sources

This study uses primary data obtained directly from respondents. Primary data was chosen because it provides specific and up-to-date information on Islamic financial literacy, religiosity, risk perception, and interest in investing in Islamic mutual funds. According to Sekaran & Bougie, (2016), primary data has a high level of relevance because it is collected directly from primary sources according to the research needs. Therefore, the use of primary data is considered appropriate for empirically describing Generation Z's investment behavior.

Instrument

The research instrument consists of a closed-ended questionnaire designed based on the indicators of each research variable. The Islamic financial literacy variable is measured through indicators of understanding of sharia investment products, contracts, halal principles, and investment risk. The religiosity variable is measured through faith, religious practices, and the application of religious values in economic activities. The risk perception variable is measured through perceptions of uncertainty, potential losses, and investment security. Investment interest was measured through interest, intention, and plans to invest in sharia mutual funds. All indicators used a five-point Likert scale, ranging from 1 (strongly disagree) to 5

(strongly agree). The Likert scale was chosen because it can quantitatively measure respondents' perceptions and attitudes, thereby facilitating the statistical analysis process.

Data Collection Techniques

Data were collected through the distribution of questionnaires both in person and online to respondents who met the study criteria. The survey method was chosen because it is effective for obtaining data from a large number of respondents in a relatively short time and is capable of systematically capturing individuals' perceptions and behaviors. According to Armita, (2025); Creswell, (2018); Engkizar et al., (2026); Sari et al., (2025), surveys are an effective method for obtaining quantitative data on respondents' attitudes, perceptions, and behaviors. Therefore, this technique is suitable for identifying the factors that influence Generation Z's interest in investing in sharia mutual funds.

Data Validity

Data validity was assessed through validity and reliability tests. Validity tests were conducted to ensure that each indicator accurately measured the construct under study, while reliability tests were used to measure the consistency of respondents' answers. A research instrument is considered reliable if it has a Cronbach's Alpha value greater than 0.70. Validity and reliability testing are necessary to ensure that the data used in the study possess an adequate level of accuracy and consistency so that the research results are reliable.

Data Analysis Tools

The data were analyzed using the Statistical Package for the Social Sciences (SPSS) software. This software was used to perform descriptive analysis, test research instruments, test classical assumptions, and test hypotheses. According to Ghozali, (2021), SPSS is a statistical software widely used in social and economic research because it is capable of producing accurate and easily interpretable analysis results. Therefore, the use of SPSS is considered appropriate to support the analytical needs of this study.

Data Analysis Techniques

Data analysis was conducted using multiple linear regression to test the effects of Islamic financial literacy, religiosity, and risk perception on Generation Z's interest in investing in sharia mutual funds. Before hypothesis testing, the data were first examined using classical assumption tests including tests for normality, multicollinearity, and heteroscedasticity to ensure that the regression model met statistical requirements. Next, hypothesis testing was conducted using a partial test (t-test) to determine the effect of each independent variable on the dependent variable, a simultaneous test (F-test) to test the combined effect of all independent variables, and the coefficient of determination (R^2) to measure the model's ability to explain variations in interest in sharia mutual funds (Sekaran & Bougie, 2016). The use of multiple linear regression is considered appropriate because the study aims to test the effects of several independent variables on a single dependent variable simultaneously, thereby enabling it to address the research objectives and comprehensively test the formulated hypotheses.

RESULT AND DISCUSSION

Respondent Characteristics and General Overview of the Study Population

The data collection process successfully recruited 114 active students from the Faculty of Economics and Business at Cendekia Abditama University who met all inclusion criteria. An overview of the respondents' demographic profiles provides crucial context for interpreting the research results. Table 1 presents a detailed distribution of respondent characteristics based on gender, age, and program of study.

Table 1. Demographic Profile of Research Respondents (N = 114)

Profile Category	Classification	Frequency	Percentage
Gender	Female	92	81%
	Male	22	19%
Age Range	19-23 years	99	87%
	24-19 years	15	13%
Study Program	Islamic Economics	59	52%
	Accounting	22	19%
	Islamic Banking	20	18%
	Digital Business	13	11%

Based on Table 1, the majority of respondents in this study were female, totaling 92 people (81%), while male respondents numbered 22 (19%). In terms of age, 99 respondents (87%) were between the ages of 19 and 23, and 15 respondents (13%) were between the ages of 24 and 19. In terms of academic programs, the largest group of respondents came from the Islamic Economics program at 52% (59 people), followed by accounting at 19% (22 people), Islamic Banking at 18% (20 people), and Digital Business at 11% (13 people). This distribution ensures that all respondents possess a basic academic understanding of Islamic economic and business management.

Testing Classical Assumptions and the Regression Model

A multiple linear regression analysis was conducted to determine the extent of the influence of the variables Sharia Financial Literacy (X1), Religiosity (X2), and Risk Perception (X3) on Interest in Investing in Sharia Mutual Funds (Y) (Alita et al., 2021). The results of the regression parameter estimates and the partial statistical tests (t-test) as well as the simultaneous tests (F-test) are systematically presented in the table.

Before conducting hypothesis testing, the study assessed the quality of the instruments through validity and reliability tests. The test results indicate that all research indicators met the measurement criteria, allowing the instruments to be used for further analysis (Taherdoost, 2018). Valid instruments indicate that each indicator is capable of representing the research construct, while reliability indicates the consistency of respondents' answers in measuring the variables.

Similarly, regarding the classical assumption tests, the results showed that the research model met all classical assumptions, allowing multiple linear regression analysis to be used to test the effects of Sharia Financial Literacy, Religiosity, and Risk Perception on Interest in Investing in Sharia Mutual Funds.

Table 2. Summary of Classical Assumption Tests

Test	Criteria	Result	Conclusion
Normality	Sig. > 0.05	Meets the criteria	Data are normally distributed
Multicollinearity	Tolerance > 0.10; VIF < 10	Meets the criteria	No multicollinearity detected
Heteroscedasticity	Sig. > 0.05	Meets the criteria	No heteroscedasticity detected

Multiple linear regression analysis was used to determine the effects of Sharia Financial Literacy, Religiosity, and Risk Perception on Interest in Investing in Sharia Mutual Funds. The regression model for this study is formulated as follows:

$MI = \alpha + \beta 1LKS + \beta 2R + \beta 3PR + e$

Explanation:

II = Interest in Investing in Sharia Mutual Funds

SLF = Sharia Financial Literacy

R = Religiosity
RP = Risk Perception
e = Error

Table 3. Results of the Multiple Linear Regression Test and t-Test (Partial)

Coefficients[a]					
Model	**Unstandardized Coefficients**		**Unstandardized Coefficients**	**t**	**Sig.**
	B	Std. Error	Beta		
Constant	3.152	0.532	-	5.724	0.000
Islamic Financial Literacy	0.184	0.091	0.208	2.029	0.045
Religiosity	0.030	0.083	0.036	0.356	0.722
Risk Perception	0.431	0.103	0.453	4.175	0.000
Dependent Variable: Investment Interest					

Based on the parameter estimates in the "Unstandardized Coefficients B" column above, the multiple linear regression equation in this study can be formulated as follows:

Y = a + b1X1 + b2X2 + ...+ bnXn

Y = 13.152 + 0.184 LKS + 0.030 R + 0.431 PR + e

Based on the regression equation above, the following conclusions can be drawn, among others:

The constant (α) value of 13.152 indicates that if the variables Sharia Financial Literacy (X1), religiosity (X2), and risk perception (X3) are held constant or set to zero (0), the baseline value of the level of interest in Sharia mutual funds (Y) among Generation Z students in the Faculty of Islamic Economics and Business at Cendekia Abditama University is positively established at 13.152 score units. This indicates that the respondents essentially already possess a solid foundation of initial interest in Sharia mutual fund instruments.

The regression coefficient for variable X1, which is 0.184, indicates a positive relationship. This means that for every one-unit increase in a respondent's Sharia Financial Literacy score (assuming all other variables remain constant), their Sharia Mutual Fund Investment Interest score is predicted to increase by 0.184 units. The higher a Generation Z individual's level of Sharia financial literacy, the more motivated their investment interest becomes.

The regression coefficient for variable X2, at 0.030, indicates a positive direction of influence but with a relatively small magnitude. In other words, for every one-unit increase in the score for the internalization of religious values (Religiosity), there will be a corresponding increase in the intensity of interest in investing in Sharia mutual funds by 0.030 units, assuming all other independent variables remain constant.

The most notable finding in this model is the coefficient for the Risk Perception variable (X_3), which reaches 0.431. This positive value means that for every one-unit increase in the Risk Perception score reflecting improved understanding or management the growth rate of Generation Z's interest in investing in Sharia mutual funds is predicted to increase by 0.431 units. This indicates that for Generation Z respondent students in the Faculty of Islamic Economics and Business at Cendekia Abditama University clarity, transparency, and the mapping of investment risks are the variables most sensitive to driving investment interest.

The mathematical equation above clearly shows that the three independent variables (X_1, X_2, and X_3) all contribute in the same direction toward increasing the respondents' interest in investing.

Table 4. Results of the ANOVA Test

ANOVA[a]						
	Model	Sum f Squeares	df	Mean Square	F	Sig.
1	Regression	975.475	3	325.158	24.938	.000[b]
	Residual	1434.280	110	13.039		
	Total	2409.754	113			
Dependent Variable: Investment Interest						
Predictors: (Constant), Risk Perception, Religiosity, Islamic Financial Literacy						

From the ANOVA test table, it can be concluded that all X variables collectively influence Gen Z's interest in mutual fund investments.

The Partial Effect of Sharia Financial Literacy on Investment Interest

The results of this study indicate that Sharia financial literacy has a positive and significant effect on interest in investing in Sharia mutual funds. These findings suggest that the greater an individual's understanding of Sharia investment concepts, Sharia mutual fund mechanisms, contracts, halal principles, and investment risk characteristics, the greater the tendency for Generation Z to engage in Sharia investments. This finding supports the Theory of Planned Behavior (Ajzen, 1991), which posits that an individual's knowledge and abilities can enhance perceived behavioral control that is, a person's belief in their own ability to perform a specific behavior.

In the context of investing, financial literacy empowers individuals to: understand the benefits of investing; compare product alternatives; evaluate risks; and reduce uncertainty in decision-making. These results are consistent with the study by Bastomi & Sudaryanti, (2024), which found that Islamic capital market literacy influences investment intention. The study explains that literacy not only enhances investment knowledge but also helps investors understand risks, thereby increasing their confidence in making investment decisions.

These findings are also consistent with Roemanasari et al., (2022), who demonstrated that Islamic financial literacy is a key factor in shaping investment intentions, as the ability to understand Islamic financial concepts helps individuals make better financial decisions. However, the results of this study suggest that increasing the number of young Sharia investors cannot be achieved solely through product promotion; rather, it must begin with strengthening Sharia financial literacy. Young investors need an understanding of investment mechanisms, not just information about potential returns.

The Partial Effect of Religiosity on Investment Interest

Contrary to the initial hypothesis, the study's results indicate that religiosity does not have a significant effect on interest in Sharia mutual funds. This finding suggests that a person's level of religiosity does not always directly translate into Sharia investment decisions. This phenomenon can be explained by the concept of the "religiosity–behavior gap" a condition where religious values and beliefs are not yet fully reflected in economic behavior. Among Generation Z, investment decisions are likely influenced more by practical factors such as: product understanding, investment security, ease of digital transactions, risk level, and profit expectations.

These results differ from the study by Sya'diah & Al Hakim, (2020), which found that religiosity influences sharia investment planning among Generation Y and Z. This discrepancy suggests that the influence of religiosity may depend on respondents' characteristics, their level of financial literacy, and the context of the investment products used. The findings of this study also enrich the literature by

demonstrating that religiosity is not always a dominant factor in the investment behavior of young Muslims. Thus, an approach to developing sharia-compliant investments should not rely solely on religious values but must be combined with financial education and efforts to build trust in investment products.

The Partial Effect of Risk Perception on Investment Interest

The results show that risk perception has a positive and significant effect on interest in investing in sharia mutual funds. This finding indicates that the better an individual's understanding of investment risk, the higher their interest in investing. These results are interesting because, in much of the investment literature, risk is often viewed as a factor that hinders investment decisions. However, from the perspective of investors with higher financial literacy, risk can serve as information that aids the decision-making process.

Investors who understand risk tend to be: more realistic about return expectations; capable of evaluating products; and more confident in making decisions. These findings support the research by Bastomi & Sudaryanti, (2024), which shows that risk perception plays an important role in explaining the relationship between Islamic capital market literacy and investment intention. However, the results of this study differ from several studies that found risk perception reduces investment interest because investors feel uncertain about the possibility of losses. This discrepancy in results suggests that risk perception is influenced not only by the characteristics of investment products but also by investors' level of knowledge and experience. In the context of Generation Z, a well-understood risk can shift from being a barrier to a factor that boosts their confidence in investing and their willingness to allocate capital to sharia-compliant mutual funds.

Simultaneous Effects and Coefficient of Determination

The results of the simultaneous analysis indicate that Islamic financial literacy, religiosity, and risk perception collectively influence interest in investing in Islamic mutual funds. The coefficient of determination indicates that the model explains part of the variation in investment interest, while the remainder is influenced by other factors outside the research model. These findings demonstrate that Generation Z's investment behavior is a multidimensional phenomenon. Investment decisions cannot be explained solely by economic factors but are a combination of: the ability to understand financial information, risk assessment, and individual values and beliefs. These results support the development of the Islamic Financial Behavior approach, which posits that Muslim financial behavior is the result of an interaction between rational aspects and spiritual values.

Table 5. Coefficient of Determination Test Results

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.636[a]	.405	.389	3.61094
Predictors: (Constant), Risk Perception, Religiosity, Islamic Financial Literacy				

The test results show an R^2 value of 0.389, which means that the variables of Sharia Financial Literacy, Religiosity, and Risk Perception account for 38.9% of the variation in Generation Z's interest in investing in Sharia mutual funds. Meanwhile, the remaining 61.1% of the variation is explained by other factors outside the research model. This value indicates that the research model has sufficient explanatory power in describing the factors that influence interest in investing in Sharia mutual funds (Ozili, 2023). Nevertheless, Generation Z's investment decisions are a complex phenomenon, so there are still other factors that could potentially influence investment behavior, such as trust in Sharia financial institutions, the influence of social media, the ease of using digital platforms, investment experience, and the influence of the social environment.

This study makes several contributions. First, it expands the application of the Theory of Planned Behavior in the context of sharia investing by demonstrating that cognitive and psychological aspects play a stronger role than religious values do directly. Second, the study shows that religiosity should be understood not as a single factor, but as a factor that can operate through other mechanisms such as financial literacy, trust, and risk perception. Third, the study provides empirical evidence that young Muslim investors make investment decisions based on a combination of Islamic values and rational considerations.

CONCLUSION

This study demonstrates that Generation Z's intention to invest in Islamic mutual funds is primarily shaped by their ability to understand Sharia-compliant financial products and evaluate investment risks effectively, rather than by religiosity alone. The findings contribute to the growing literature on Islamic financial behavior by highlighting the importance of cognitive and evaluative dimensions in shaping Sharia investment intentions among young Muslim investors. The novelty of this study lies in the integration of Islamic financial literacy, religiosity, and risk perception within a single framework based on the Theory of Planned Behavior, thereby providing a more comprehensive explanation of Generation Z's investment intentions toward Islamic mutual funds.

From a practical perspective, the findings suggest that efforts to expand Generation Z participation in the Islamic capital market should prioritize the enhancement of Islamic financial literacy and risk-awareness education through structured and sustainable programs. These results offer important implications for policymakers, Islamic financial institutions, investment managers, and educational institutions in designing strategies that combine Sharia compliance with financial competence, enabling young investors to make more informed, rational, and sustainable investment decisions.

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DECLARATIONS

Author contribution

Nur Jamaludin: data curation, writing-original draft preparation, **Dea Puspita & Aisyah Defy R Simatupang:** analysis, conceptualization, **Martavevi Azwar & Oom Komariyah:** methodology, visualization, **Shofiah Tidjani:** editing.

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