

ABSTRACT

The capital market has an important role in the process of a country's economic development. The development of the capital market in Indonesia has experienced ups and downs for 42 years since its reactivation in 1977. As many as 712 companies went public as of September 22, 2020. The number of investors in the Indonesian capital market has reached 3.85 million but this figure only reaches 1,4% of the total population in Indonesia, which amounts to 260 million people. The increasing number of companies listed on the capital market can be one of the factors driving the number of investors. However, the large number of companies is considered less than optimal for economic growth if the public's awareness and interest in the importance of investing is still low. The low interest in investing in Indonesian society is influenced by the relatively low understanding of financial literacy. The millennial generation who are believed to be agents of change have a very strategic role in disseminating information about investment in the capital market and becoming targets as a driving force for the Indonesian economy.

This study aims to determine the effect of financial literacy on the millennial generation's investment interest in the capital market. Data collection in this study used a questionnaire method by distributing to 400 millennial generation respondents in five provincial capitals on the island of Java: Jakarta, Bandung, Yogyakarta, Semarang, and Surabaya. The instrument trials were analyzed using validity and reliability tests on 30 samples using the Pearson Product Moment and Cronbach's Alpha correlation techniques. Furthermore, the data analysis technique used in this research is descriptive assumption, simple linear regression analysis, t test, and coefficient of determination.

Based on the results of hypothesis testing, it can be known that the t-value is 11,287 with a significance value of 0.000. The calculated t value is 11,287 which greater than the t table of 1,966 ($11,287 > 1,966$) and a significance value of $0.000 < 0.05$. Then it can be seen that H_0 is rejected and H_1 is accepted. The coefficient of determination shows that R^2 is 24.5%, which means that the contribution of the Financial Literacy variable to Investment Interest is 24.5%, while the remaining

75.5% is influenced by other factors outside the study. So it can be concluded that Financial Literacy has a significant and positive effect on Investment Interest.

Keywords: *financial literacy, Investment interest, millennials, Investment interest in capital market.*