# BEHAVIORAL FACTOR IN INVESTMENT DECISION MAKING AMONG GENERATION Z – THE POST MILLENNIALS: THE DEVELOPMENT OF A CONCEPTUAL MODEL

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The study aims to direct the focus of behavioral finance, the study of the influence of psychology on the behavior of ifnancial practitioners and the subsequent effect on markets in contrast to the traditional rational school of thought in finance, towards the specific population segment of Generation Z - the post-millennials. The rational school of thought was disregarded in this aspect due to inherent weaknesses of Market Portfolio Theory and Efficient Market Hypothesis which have been proven through the existing literature. The population segment of Generation Z was selected as they have shown drastic behavioral differences from that of the previous generations and are joining the consumer base, labor force and hence, the investor-force also at a rapid rate and will turn out to secure a dominant portion of the investor population in the coming decade. The problem identified through the study is the inapplicability of a population-wide general model in behavioral finance, specifically towards the distinct population segment of Generation Z. Hence, the primary objective of the study was to develop a more applicable model in an attempt to explain investor behavior among the aforementioned segment. Methodological approach of deductive reasoning was used to fine-tune and bring forth Generation Z-specific factors from various platforms to the platform of investor decision making. As a result, the researchers were able to put together a model consisting of the novel constructs of; Against-the-tide Behavior, Ethical Consideration, and the modified construct of Digital Availability Bias, with the constructs refined and retained from the existing models, including, Hyperbolic Discounting, Prospect Theory and the Disposition Effect. The eventual conclusion is that the applicability of behavioral finance can be held true for Generation Z in their investment decision making, however, with significant modifications and revised constructs as discussed in findings. The recommended outcome is that the use of an aforementioned distinct model to explain a distinct segment would lead to a positive social change, contributing to avoid emotion-driven speculation leading to losses and thus to devise an appropriate wealth management strategy in a distinct and potentially-dominant investor force; Generation Z.

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