Faculty of Economics and Business,

PGRI University of West Sumatra

Pelita Indonesia Institute of Business and Technology, Riau

E-mail:
saputrasyailendra@gmail.com

Strengthening Capital Market and Investment Literacy for Students of SMA Negeri 5 Padang

Syailendra Eka Saputra[1], Syakina Ahdanisa[2]

Abstract

This article presents the outcomes of a community service initiative aimed at strengthening capital market and investment literacy among the younger generation, specifically 11th- and 12th-grade students of SMA Negeri 5 Padang. The activity involved 300 student participants. The outcomes of the community service program are presented through a clear, concise, and descriptive narrative. Based on the material delivered by the resource persons, several key conclusions were drawn. Young people should regard stock investment in the Indonesian capital market as a means of building long-term financial well-being rather than a way to obtain quick profit. Before investing, young people need to equip themselves with knowledge of the capital market and an understanding of stock characteristics, investment risk, and company analysis methods. Investment should be undertaken using funds specifically allocated for that purpose, rather than funds intended for daily living expenses or borrowed funds. Furthermore, young people need to adopt a rational and disciplined mindset and avoid being easily swayed by trends or persuaded to purchase particular stocks without proper analysis. It is essential to apply the principle of diversification, establish clear investment objectives, and select companies with strong fundamentals and promising prospects.

Keywords: Capital Market, Investment Literacy, Community Service, Young Investors.

1. INTRODUCTION

Capital markets and investment have become a persistent topic of discussion among Indonesia's younger generation in recent years, offering a viable alternative avenue for young people to earn income. Consequently, a growing number of young people, particularly Generation Z, now hold a Single Investor Identification (SID). However, the growing appeal of the capital market and investment in Indonesia has also been accompanied by negative developments, most notably the persistently low level of capital market and investment literacy among Indonesia's younger generation.

According to the Financial Services Authority (OJK), at least 1,069 complaints related to illegal investments were received throughout 2024. A far larger number occurred over the following twelve-month period, during which OJK received 5,547 complaints related to illegal investments. Most complainants were born between 1997 and 2012, a range that corresponds to Generation Z. The majority of the illegal investment schemes reported were online investment platforms that did not hold permits from OJK or other relevant authorities.

OJK further reported that total losses arising from illegal investment activity in Indonesia amounted to IDR 139.67 trillion between 2017 and 2023, remained relatively high at IDR 2.35 trillion in 2024, and rose further to IDR 5.74 trillion in 2025 (Wahyuni, 2025). The scale of losses caused by illegal investment schemes involving the public in general, and Generation Z in particular, represents a striking phenomenon that reflects the low level of capital market and investment literacy in this segment of society. The continuing advancement of technology and communication services makes it increasingly easy for the public, particularly Generation Z, to discover investment platforms that appear attractive because they promise large and rapid returns. This strong orientation toward investment profit encourages many young people to join such platforms without carefully verifying their legal permits, leaving a considerable number of Generation Z investors trapped in fraudulent and illegal investment schemes (Pura et al., 2025).

The younger generation tends to make impulsive and irrational investment decisions, frequently driven by Fear of Missing Out (FOMO), to the extent of engaging in herding behavior when making investment decisions (Lukman & Saputra, 2026). Generation Z investors, in particular, display an excessively high tolerance for risk and pronounced overconfidence, with the consequence that many novice young investors become fearful and traumatized after early setbacks, causing them to withdraw from further participation in the stock market (Saputra et al., 2023).

This phenomenon is the primary motivation behind the community service program conducted by the Indonesia Stock Exchange Gallery (GIBEI) of PGRI University of West Sumatra for the younger generation, particularly students of SMA Negeri 5 Padang (Padang State Senior High School 5). The program is designed to provide students with insight into, and knowledge of, the capital market and the world of investment. This community service activity represents the first step toward establishing a sustainable, ongoing program at SMA Negeri 5 Padang.

The community service program comprised an introduction to the capital market, investment, and OJK-licensed securities companies, and featured resource persons from the Indonesia Stock Exchange of West Sumatra and Panin Sekuritas. It is hoped that this activity will equip students of SMA Negeri 5 Padang with knowledge of, and references on, the capital market and OJK-licensed investment products, thereby helping to reduce the number of young people in Indonesia in general, and in the city of Padang in particular, who fall victim to illegal investment schemes. In addition, the activity is intended to reduce poor financial-management practices among the younger generation, such as engagement in online gambling and other counterproductive behaviors that can harm their personal and academic lives.

2. RESEARCH METHOD

This study was qualitative in nature, employing a descriptive narrative approach to document the community service activities carried out by the research team at SMA Negeri 5 Padang. The parties involved in the activity were the Indonesia Stock Exchange Gallery (GIBEI) of PGRI University of West Sumatra, the Indonesia Stock Exchange of West Sumatra, and Panin Sekuritas. The activity targeted 300 students in grades 11 and 12 of SMA Negeri 5 Padang and was conducted on 7 July 2026 at the mosque hall of SMA Negeri 5 Padang.

The activity began with event preparation at 8:00 a.m. WIB, and the program itself commenced at exactly 9:00 a.m. WIB. The first agenda item was a welcoming address and the formal opening of the activity by the principal of SMA Negeri 5 Padang. The second agenda item was a speech delivered by a representative of the Indonesia Stock Exchange of West Sumatra, followed by an address from the head of the Indonesia Stock Exchange Gallery (GIBEI). The core session of the activity consisted of a material presentation delivered by a representative of the Indonesia Stock Exchange, Ms. Chairimadola, covering capital markets, investment, and OJK-licensed securities. This was followed by a presentation from a resource person of Panin Sekuritas on investment practices and types of investment instruments. The activity concluded with a closing ceremony conducted by the vice principal of SMA Negeri 5 Padang, followed by a group photograph session.

3. RESULTS AND DISCUSSION

The results of this community service activity are presented in two parts: an analysis of activity implementation and a discussion of the substantive material on capital markets and investment delivered to student participants.

3.1. Activity Implementation Analysis

The Indonesia Stock Exchange Gallery (GIBEI) team of PGRI University of West Sumatra, together with representatives of the Indonesia Stock Exchange and Panin Sekuritas, arrived at SMA Negeri 5 Padang at exactly 8:00 a.m. WIB to review the readiness of the activity. The program itself commenced at 9:00 a.m. WIB. Participants, comprising students of SMA Negeri 5 Padang, demonstrated considerable enthusiasm in taking part in the community service activity, as reflected in the spontaneous registration of participants. A total of 300 students attended the activity. Documentation of the initial preparation process is presented in Figure 1.

Figure 1. Documentation of the Community Service Preparation Process

Figure 1 shows the preparation process for the capital market community service activity at SMA Negeri 5 Padang. Pictured, from left to right, are Syailendra Eka Saputra, Advisor of the Indonesia Stock Exchange Gallery of PGRI University of West Sumatra; Mrs. Zulhelmi, Vice Principal of SMA Negeri 5 Padang; Mrs. Nita; and Mr. Devi Aprianto, representative of Panin Sekuritas West Sumatra. This community service activity represents one of the initial steps of the Indonesia Stock Exchange Gallery (GIBEI) program of PGRI University of West Sumatra to provide socialization and education on capital markets and investment to students and teachers of SMA Negeri 5 Padang. In addition, the program aims to support SMA Negeri 5 Padang in establishing its own independent Stock Exchange Gallery, to be fostered under the Stock Exchange Gallery (GIBEI) of PGRI University of West Sumatra.

Figure 2. Coordination Meeting with the Principal of SMA Negeri 5 Padang

Prior to the activity, the team held a brief coordination meeting to ensure that all facilities and supporting infrastructure were ready and that the activity would proceed smoothly. At exactly 9:00 a.m., the community service activity began with a 15-minute participant registration process. Once all participants had entered the venue, the opening ceremony commenced with the formal opening of the activity by the principal of SMA Negeri 5 Padang, Mr. Walmukminin, M.Pd. The event then continued with welcoming remarks from the representative of the Indonesia Stock Exchange, Ms. Chairimadola, and from the Advisor of the Indonesia Stock Exchange Gallery of PGRI University of West Sumatra, Mr. Syailendra Eka Saputra.

The core session of the community service program opened with a keynote presentation delivered by the representative of the Indonesia Stock Exchange, Ms. Chairimadola, on the topic “Understanding Capital Markets and Investment,” which lasted approximately one hour. Following this theoretical presentation, a second, more practice-oriented session was delivered on stock investment practices under the theme “Short-Term Trading for Maximum Profit,” presented by Mr. Devi Aprianto and Mr. Syailendra Eka Saputra. The material presented introduced a short-term trading method that exploits price-margin differences in high-volume stocks within a fifteen-minute trading window.

Figure 3. Implementation of the Community Service Activity at SMA Negeri 5 Padang

Figure 3 shows that all participants demonstrated strong enthusiasm throughout the activity. This activity is expected to enhance the knowledge and literacy of students and other stakeholders regarding capital markets and investment, enabling participants to make sound investment decisions by acquiring securities that hold official OJK permits and are transacted through official platforms. This activity represents the initial collaboration between the Indonesia Stock Exchange Gallery (GIBEI) of PGRI University of West Sumatra, Panin Sekuritas, and SMA Negeri 5 Padang, and is planned to continue through three further sessions to be held throughout 2026. It is further hoped that SMA Negeri 5 Padang will eventually establish its own Stock Exchange Gallery, to be fostered by the Indonesia Stock Exchange Gallery (GIBEI) of PGRI University of West Sumatra in collaboration with Panin Sekuritas.

3.2. Discussion

Capital markets and investment play a crucial role in supporting Indonesia's economic growth. The capital market serves as a platform connecting parties with excess funds, namely investors, with parties in need of funds, such as companies and government agencies. Through the capital market, companies can obtain financing to expand their businesses, increase production capacity, develop innovation, and create employment. Meanwhile, the public gains access to alternative means of building wealth through various investment instruments such as stocks, bonds, mutual funds, and government securities (Saputra & Erita, 2025).

In Indonesia, the capital market is developing rapidly alongside a growing number of investors, particularly among the younger generation. Advances in digital technology have made it easier for the public to open investment accounts and conduct transactions through online applications, presenting a significant opportunity for people to begin investing with relatively affordable capital. However, this convenience must be accompanied by improved financial knowledge and literacy in order to prevent investors from making decisions based solely on trends, social media recommendations, or unverified information (Saivasan & Lokhande, 2022).

Investing is essentially the act of allocating funds to an instrument in the hope of generating future returns. In the capital market, each instrument carries distinct characteristics, risk levels, and profit potential. Stocks, for example, offer relatively high profit potential but also carry the risk of significant price volatility, whereas bonds and government securities generally offer a more manageable level of risk. Investors therefore need to understand the principle of *high risk, high return*, which holds that the greater an investment's potential return, the greater the risk it generally entails (Kahneman & Tversky, 1979).

According to Gavrilakis and Floros (2022), sound investment decisions should be made through a rational and well-planned process. Investors need first to determine their investment objectives, time horizon, financial capacity, and risk tolerance before analyzing the instruments in which they intend to invest. In stock investment, for example, investors may apply fundamental analysis to assess a company's condition and performance, and technical analysis to study price movements. In this way, investment decisions are grounded not in speculation but in more objective information and considerations.

One of the fundamental principles of investing is diversification, which involves spreading investment funds across several different instruments or assets in order to reduce the risk of loss. Investors should avoid allocating all of their capital to a single stock or instrument; by building a diversified portfolio, risk can be managed more effectively. Investors also need to remain disciplined and avoid panic selling when market prices decline, since fluctuation is an inherent feature of investing (Aharon & Yagil, 2019; Eka Handriani & Robiyanto, 2018).

The Indonesian public also needs to remain vigilant against various forms of illegal and fraudulent investment schemes. Offers of high returns within a short period and without risk are among the key warning signs to be aware of. Investors should ensure that investment companies or platforms are legally registered and supervised by the relevant authorities. The key principles to be upheld are *legality and logic*: investments must carry clear permits and offer reasonable, realistic returns. Sound financial literacy remains the most important line of defense against investment fraud.

Overall, the Indonesian capital market offers significant opportunities for the public to build long-term financial well-being while contributing to national economic development. Sound investing, however, is not about pursuing instant profit; rather, it is a financial-planning process that requires knowledge, patience, discipline, and the capacity to manage risk. Continuous improvement of capital market and investment literacy is therefore essential to enable Indonesians to become intelligent, rational, and responsible investors in every investment decision they make.

4. CONCLUSION

Young people are encouraged to view stock investment in the Indonesian capital market as a means of building long-term financial well-being, rather than as a quick route to profit. Before investing, young people need to equip themselves with knowledge of the capital market and an understanding of stock characteristics, investment risk, and company analysis methods. Investment should be undertaken using funds specifically allocated for that purpose, rather than funds required for daily living expenses or funds obtained through borrowing.

Furthermore, students and members of the younger generation need to cultivate a rational and disciplined mindset, avoiding the tendency to be easily swayed by trends or persuaded to purchase particular stocks without conducting thorough analysis. It is essential to apply the principle of diversification, establish clear investment objectives, and select companies with sound fundamentals and promising prospects. With adequate financial literacy and sound decision-making, the younger generation can make effective use of the Indonesian capital market as a means of learning to manage finances, build assets, and prepare for a more financially independent future.

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