

A multidimensional approach to investment behavior: Cultural, Social, and Behavioral Finance perspectives among Asian Gen Z investors in Tokyo, Japan

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Abstract

This study investigates the cultural factors influencing the investment behavior of Asian Generation Z students in Tokyo, Japan. The research aims to develop a comprehensive framework that considers the multidimensional nature of culture, the role of social identity, and behavioral aspects in financial decision-making. By examining how cultural dimensions, social identity, and behavioral biases impact investment behavior, the study seeks to contribute to culturally sensitive financial education and investment strategies for young Asians. A survey-based quantitative research design was employed, targeting 140 Asian students (aged 18–25) from various nationalities, studying finance and economics at selected universities in Tokyo. The study explores three key research questions: (1) How do cultural dimensions influence the investment behavior of Asian Gen Z in Tokyo? (2) How does social identity impact their investment behavior? (3) How do behavioral biases and heuristics manifest among them? Findings indicate that cultural dimensions—such as individualism-collectivism, power distance, uncertainty avoidance, and long-term orientation—affect risk tolerance, asset allocation, and decision-making styles. Social identity factors, including nationality, ethnicity, gender, and generation, shape investment preferences by aligning with different social groups and norms. Additionally, behavioral biases like overconfidence, loss aversion, anchoring, and herd behavior influence financial decision-making, highlighting the cognitive shortcuts and emotional factors that drive investment choices. These insights emphasize the need for culturally tailored financial education and investment strategies to enhance financial literacy and decision-making among Asian Gen Z investors in Tokyo.

Keywords: Finance and Economics, Cultural Dimensions, Behavioral Biases, Survey Research, Japan