

ANALYSIS OF INVESTMENT DECISIONS THROUGH FINANCIAL LITERACY WITH FINANCIAL BEHAVIOR AS A MODERATING VARIABLE AT STUDENTS OF STIE NGANJUK

Prasetya Tri Mahendra^{1*}, Fidiana²

^{1,2}. Sekolah Tinggi Ilmu Ekonomi Indonesia (STIESIA) Surabaya, Indonesia

*Corresponding Author: ardillaayukirana@stiesia.ac.id

Abstract: The main purpose of this study is to analyze the influence of Financial Literacy on investment decisions with financial behavior as a moderating variable, in STIE Nganjuk students class of 2022. The variables in this study are (1) Financial Literacy (2) Financial Behavior (3) Investment decisions. This study uses simple regression analysis methods and moderation regression. The results of this study show that Financial Literacy has an influence on Investment Decisions and Financial Behavior moderates the influence of Financial Literacy on Investment Decisions.

Keywords: Investment Decisions, Financial Literacy, Financial Behavior

1. Introduction

Investment is a sacrifice in the present moment with the aim of getting greater benefits in the future ((Basalamah et al., 2021). To minimize risk, investors must be rational in dealing with the stock buying and selling market. In addition, the investor must have a keen forecast of the future of the company whose shares will be bought or sold. In addition to investment decision-making skills and acumen, an investor is influenced by behavior. Behavior here is financial behavior in terms of managing finances called financial literacy involved in it. Financial literacy as individual financial knowledge is also a basic need for everyone to avoid financial problems. Financial difficulties arise not only from the income function, but errors in financial management (miss-management) such as misuse of credit and the absence of financial planning. These things happen because of the lack of financial literacy and experience in the individual. Therefore, we need to understand what financial literacy is. Financial literacy is a must for every individual to avoid financial problems because individuals are often faced with Trade Off, which is a situation where someone has to sacrifice one interest for the sake of another.

Idayanti & Ayu Permoni, 2021, It also revealed that literacy among students is still low, the low financial literacy of students occurs due to the lack of personal finance education on campus. In their research (Kristanti & Rinofah, 2021) also found that the financial literacy of students is still categorized as low, but Nidar and Bestari only use one campus as a sample.

In other studies, it also shows that financial literacy affects investment decisions (Zahida, 2021) which then refutes the studies conducted (Hayati, 2020) that financial literacy has no

significant influence on investment decisions.

The Indonesia Stock Exchange (IDX) has opened opportunities for students to invest by opening investment galleries in several campuses in Indonesia and there have been 465 campuses/universities listed on the IDX since 2020 (<https://rdis.idx.co.id/>). Even though there is an investment gallery on campus, there are still relatively few students who invest, this is due to the lack of student literacy on investment and financial skills.

2. Literature Review

Investment according to KBBI (Big Dictionary Indonesian) is the investment of money in a company or project for the purpose of obtaining profits. According to Sunariyah (2003: 4) investment is an investment for one or more assets owned and usually long-term in the hope of getting profits in the future (Zacharias, 2020). Types of investment consist of (1) Direct investment, Direct investment is the direct purchase of the company's financial assets (2) Indirect investment is the purchase of shares from investment companies that have a portfolio of financial assets from other companies.

Financial literacy according to the Financial Services Authority (OJK, 2019) is knowledge, skills, and beliefs that influence attitudes and behaviors to improve the quality of decision-making and financial management in order to achieve prosperity. Financial literacy has a number of elements, namely: (1) Basic numeracy skills, such as the ability to calculate investment returns, debt interest rates, and basic arithmetic skills (2) An understanding of the benefits and risks associated with certain financial decisions, including spending, borrowing, leverage and investing (3) Ability to understand basic financial concepts, including the trade off between risk and return, Key attributes of different types of investments and other financial products, diversification benefits, and time value of money (4) The capacity to know when to seek professional advice and what to ask, and the ability to understand the advice given by professional advisors.

According to (Venezia, 2019) behavior finance is a study that studies how psychological phenomena affect the financial behavior of stock players, (Yuesti & Merawaty, 2018) defines financial behavior, namely studying how humans actually behave in a financial setting. The concept of money behavior is divided into several (1) Psychology, According to (Sobur, 2019), psychology is a science that discusses human behavior as individuals and groups and the relationship between them and the open and closed environment (2) sociology, According to (Chalid, 2020), sociology is the science of how to make friends, make friends, be friendly, get along well in society. Sociology is social knowledge that is composed of the results of scientific thinking and can be controlled critically by others or the general public (3) Finance, according to the Encyclopedia of Economics, finance studies how individuals, businesses, and organizations improve, allocate, and use monetary resources over time, and also calculate risks in running their projects.

3. Method

The subjects of the study were all students of STIE Nganjuk class of 2022 with a sample of 46. The method of data analysis in this research is through validity and reliability tests, classical assumption tests, simple regression tests, moderation tests, model feasibility tests (F tests), partial regression coefficient tests (t tests). This test was conducted through SPSS 26.

Based on the analysis method, the hypothesis (H_a) to be tested is:

H_{a1} : Financial literacy has a significant positive effect on Investment Decisions

H_{a2} : Financial behavior moderates the influence of financial literacy on investment decisions

4. Result and Discussion

The first test is the validity test, where the validity test is used to measure the validity and validity of a questionnaire.

Table 1. Validitas Test

No	Variable	Instrument Code	% Correlation	Information
1	Financial Literacy (X ₁)	X11	0,643	valid
		X12	0,480	Valid
		X13	0,714	Valid
		X14	0,607	Valid
2	Financial Behavior (X ₂)	X21	0,773	Valid
		X22	0,829	Valid
		X23	0,871	Valid
3	Investment Decision (Y)	Y11	0,724	Valid
		Y12	0,690	Valid
		Y13	0,756	Valid
		Y14	0,724	Valid
		Y15	0,809	Valid

Based on Table 1, it can be seen that the research instrument consisting of the question items Financial Literacy (X₁), Financial Behavior (X₂), Investment Decision (Y) is valid. This is because of the correlation between the score of each question with a total score of magnitude above 0.30.

The second test is the reality test, where the reliability test is used to test the questions in this research questionnaire reliably and can be used.

Table 2. Realibility Test

No	Variable	Cronbach's Alpha	Information
1	Literasi Keuangan (X ₁)	0,719	Reliabel
2	Perilaku Keuangan (X ₂)	0,852	Reliabel
3	Keputusan Investasi (Y)	0,795	Reliabel

Based on Table 2 it can be found that the value of Cronbach's Alpha of each variable has a value greater than 0.60. This shows that all questions in this research questionnaire are reliable and usable.

The third test is the normality test with the Kolmogorov-Smirnov non-parametric statistical test (K-S).

Table 3. Normality Test

Model	B	Std. Error	Beta	t	Sig.
Constant	-.363	.465		-.781	.439
Financial Literacy	.139	.123	.184	1.132	.264
Moderating	.008	.017	.070	.434	.667

Based on Table 3, the value of asymp. Sig. (2-tailed) 0.200 . This value is 0,05 greater, when compared to the existing criteria, and it is concluded that the data in the study are normally distributed.

The fourth test is a multicollinearity test through a tolerance value greater than 0,10, which means that there is no multicollinearity of the data tested. if the VIF value is smaller than 10,00 then there is no multicollinearity of the data tested.

Table 4. Multikolinerity Test

Model	B	Std. Error	Beta	t	Sig.	VIF
Constant	3.088	.770		4.009	.000	
Financial Literacy	.479	.204	.352	2.350	.023	1.190
Moderating	-.084	.029	-.436	2.913	.006	1.190

The table above shows that each independent variable tolerance value is more than 0,10 and smaller than 10,00, so it can be concluded that multicollinearity does not occur.

The fifth test is the coefficient of determination (R^2) test and is divided into 2, namely. The first coefficient of determination (R^2) test is related to a simple regression model for H_{a1} , with the following test results.

Table 5. Coefisien Determination Test (R^2)

Model	R	R Square	Adj R. Square	Stad. Error
1	.446 ^a	.199	.162	.41331

The table above shows that the adjusted R^2 is 0.162, which means that financial literacy can explain investment decisions by 0.162 or 16.2%. The second coefficient of determination (R^2) test is related to the moderation regression model for H_{a2} with the following test.

Table 6. Summary Model

Model	R	R Square	Adj R. Square	Stad. Error
1	.477 ^a	.228	.172	.41063

The table above shows a value, adjusted R^2 of 0.172, which means that profit management variables can better explain investment decisions with the interaction of financial literacy and financial behavior. This is evidenced by an adjusted R^2 value of 0.172 or 17.2%.

The seventh test is the model feasibility test (F test), with criteria if the value of $\text{sig.} < 0.05$ then H_0 is accepted. The result of the F test shows the sig value. It is 0.01 and when entered into the criteria, the value of Sig. it is greater than 0.05 which means H_0 is rejected. The independent variables present in the study simultaneously did not influence investment decisions.

The eighth test is the persial regression coefficient test (t test), with the criterion if the value of $\text{sig.} < 0.05$ then H_0 is accepted. The test results are as follows.

The table above shows the value of sig. of 0.023, then H_0 is accepted or Financial Literacy has a significant effect on investment decisions. This result is in accordance with previous research conducted by Idayanti & Ayu Permoni, Kristanti & Rinofah, Zahida, Hayati (2021). The results of the second t-test for H_{a2} are:

Table 7. Coefisien Regresion Percial Test(t test)

Model	B	Std. Error	Beta	t	Sig.
Constant	3.088	.770		4.009	.000
Financial Literacy	.479	.204	.352	2.350	.023
Moderating	-.084	.029	-.436	2.913	.006

Based on the table above with the value of sig. What is well known can be concluded that Financial Behavior moderates the influence of financial literacy on investment decisions.

In a study (Fitrianti Baiq, 2018) with research entitled The Effect of Financial Literacy, Financial Behavior and Income on Investment Decisions. The results of this study show that financial literacy, financial behavior and income have an influence in determining investment decisions. This explains that a person's knowledge about managing his personal finances is a major factor in determining investment decisions.

As for (Khairunizam & Isbanah, 2019) in their research entitled the influence of Financial Literacy and Behavioral Finance Factors on Investment Decisions (Study of Sharia Stock Investors at the Sharia Investment Gallery of UIN Sunan Ampel Surabaya.

In his research shows that Financial Literacy does not affect investment decisions for Islamic stock investors at the Sharia Investment Gallery UIN Sunan Ampel Surabaya.

Over confidance has a positive effect on investment decisions for sharia stock investors at the Sharia Investment Gallery of UIN Sunan Ampel Surabaya. Risk perception does not affect investment decisions for sharia stock investors at the Sharia Investment Gallery UIN Sunan Ampel Surabaya.

Loss Aversion does not affect investment decisions for Sharia stock investors at the Sharia Investment Gallery UIN Sunan Ampel Surabaya. Herding has a positive influence on investment decisions for Sharia stock investors at the Sharia Investment Gallery of UIN Sunan Ampel Surabaya.

5. Conclusions

Based on the results of the research conducted, it can be concluded that Financial Literacy has a significant effect on investment decisions in STIE Nganjuk students class of 2022. This shows that the better the financial literacy of students, the higher the desire to invest. The results of the Moderated Regression Analysis Test found that financial behavior is able to moderate where the influence exerted strengthens the relationship of financial literacy on investment decisions of STIE Nganjuk students class of 2022.

References

- Basalamah, R., Erwaedy, A., & Dkk. 2021. Manajemen Inovasi dalam Bisnis. In *Manajemen Informasi Dalam Bisnis*.
- Chalid, P. 2020. Sosiologi Ekonomi. In *Paper Knowledge . Toward a Media History of Documents*.
- Fitrianti Baiq. 2018. Pengaruh literasi keuangan, perilaku keuangan terhadap keputusan berinvestasi. *Jurnal Systems UNPAM*, 2.
- Hayati, N. 2020. Pengaruh Literasi Keuangan Terhadap Keputusan Mahasiswa Fakultas Ekonomi Dan Bisnis Islam Uin Antasari Banjarmasin Dalam Memilih Lembaga Keuangan Untuk Berinvestasi. *Sustainability (Switzerland)*, 4(1).
- Idayanti, N. K. A., & Ayu Permoni, N. L. E. 2021. Pengaruh Jenis Kelamin, IPK Dan Semester Terhadap Literasi Keuangan Pada Mahasiswa Jurusan Manajemen Sekolah Tinggi Ilmu Ekonomi Satya Dharma Singaraja. *Jurnal Manajemen Dan Bisnis Equilibrium*, 7(2). https://doi.org/10.47329/jurnal_mbe.v7i2.733
- Khairunizam, & Isbanah, Y. 2019. Pengaruh Financial Literacy dan Behavioral Finance Factors terhadap Keputusan Investasi (Studi terhadap Investor Saham Syariah pada Galeri Investasi Syariah UIN Sunan Ampel Surabaya). *Jurnal Ilmu Manajemen*, 7(2).
- Kristanti, E. Y., & Rinofah, R. 2021. Karakteristik Literasi Keuangan (Studi Kasus Mahasiswa Fakultas Ekonomi Universitas Sarjanawiyata Tamansiswa). *Jurnal Manajemen STIE Muhammadiyah Palopo*, 7(1). <https://doi.org/10.35906/jm001.v7i1.672>
- Mahendra, P. T., & Novaliana, I. 2020. Penerapan program galeri investasi bursa efek indonesia dalam menunjang kemandirian mahasiswa. *JURNAL NUSANTARA APLIKASI MANAJEMEN BISNIS*. <https://doi.org/10.29407/nusamba.v5i1.14193>
- OJK. 2019. Buku 3 Pasar Modal. In *Otoritas jasa keuangan*.
- Sobur, A. 2019. Psikologi Umum, Edisi Revisi. In *Jakarta: Rajawali Grafindo Persada*.
- Venezia, I. 2019. Behavioral finance: The coming of age. In *Behavioral Finance: The Coming Of Age*. <https://doi.org/10.1142/11248>
- Yuesti, A., & Merawaty, L. K. 2018. Akuntansi Keprilakuan. In *Akuntansi*.
- Zacharias, J. A. 2020. Teori Portofolio Investasi. In *Klaten: Penerbit Lakeisha*.
- Zahida, A. B. 2021. Peran Literasi Keuangan, Risk Tolerance, dan Risk Perception Terhadap Keputusan Investasi Mahasiswa. *Improvement: Jurnal Manajemen Dan Bisnis*, 1(1). <https://doi.org/10.30651/imp.v1i1.9527>