Investment decisions are reviewed based on financial literacy and Financial Behavior

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Abstract
The purpose of this study was to determine and measure the influence of financial literacy and financial behavior on investment decisions in students of the Salatiga State Islamic Institute (IAIN Salatiga). The method used in this research is quantitative method, with classical assumption test techniques, multiple linear regression analysis, hypothesis testing, and coefficient of determination with the help of SPSS version 25 software. Data were collected by distributing questionnaires using random sampling techniques distributed to 90 respondents. or student. The results of the study based on t test analysis indicate that financial literacy has no effect on investment decisions. Meanwhile, financial behavior has a positive effect on investment decisions. The results of the study based on the F test analysis showed that financial literacy and financial behavior had a significant and simultaneous effect on investment decision making by students of IAIN Salatiga.

Keywords: Financial Literacy, Financial Behavior, Investment Decision

Abstrak
Tujuan dari penelitian ini adalah untuk mengetahui dan mengukur pengaruh literasi keuangan dan perilaku keuangan terhadap keputusan berinvestasi mahasiswa Institut Agama Islam Negeri Salatiga (IAIN Salatiga). Metode yang digunakan pada penelitian ini adalah metode kuantitatif, dengan teknik uji asumsi klasik, analisis regresi linier berganda, uji hipotesis, dan koefisien determinasi dengan bantuan software SPSS versi 25. Data dikumpulkan dengan cara menyebarkan kuisioner dengan menggunakan teknik random sampling yang disebarakan kepada 90 responden atau mahasiswa. Hasil penelitian berdasarkan analisis uji t menunjukkan bahwa literasi keuangan tidak berpengaruh terhadap keputusan investasi. Sedangkan perilaku keuangan berpengaruh positif terhadap keputusan investasi. Hasil penelitian berdasarkan analisis uji F menunjukkan bahwa literasi keuangan dan perilaku keuangan berpengaruh secara signifikan dan simultan terhadap pengambilan keputusan investasi mahasiswa IAIN Salatiga.

Kata kunci: Literasi Keuangan, Perilaku Keuangan, Keputusan Investasi

1. Introduction

The 2010 World Bank survey and the census conducted by the Central Statistics Agency (BPS) found the phenomenon that half of Indonesia's population does not have access to formal financial institution services. This indicates that the financial system has not run optimally and there is still room for improvement in order to increase public access to financial institution services. In the context of implementing the Financial Inclusive program since 2013, Bank Indonesia (BI) together with the government has developed the National Strategy for Financial Inclusion (SNKI), one of the main pillars of which is Financial Education, which aims to increase the level of financial literacy of the Indonesian people.

As a result of the lack of financial literacy in Indonesia, people suffer losses, either due to a decline in economic conditions and inflation or due to the development of an economic system that tends to be extravagant because people are increasingly consumptive. Many people use home loans and credit cards, but due to minimal knowledge, not a few suffer losses or there are often differences in calculations between consumers and banks. Many people do not invest or cannot access the capital market and money market because they do not have sufficient knowledge about them. Meanwhile, financial education is still a big challenge in Indonesia. Financial education is a long process that spurs individuals to have financial plans for the future in order to obtain prosperity according to the pattern and lifestyle they live (Bank Indonesia, 2014 dalam Purbawangsa & Dewi, 2018).

Indonesian people generally allocate their money or income to several forms such as consumption, savings, and investment. From the allocation of funds, the type of allocation of funds that is most useful for the future is the type of investment. According to Pritazahara & Sriwidodo (2015) in Herawati & Upadana (2020), planning an investment in personal financial management is crucial for every individual at this time, this is because investment also includes a learning process to manage finances in the present and the future.

Making an investment requires the right decision and every decision can affect investment results. In determining a decision, each individual will behave rationally and irrationally, depending on the information obtained. Someone with good financial literacy tends to have better control in determining a variety of investments because they have a lot of financial information. For example, knowing the range of interest rates and conditions in the market, and understanding how their credit risk profile and personal situation correspond to interest rates so that they can determine which investment is best for them (Hilgert dkk., 2003 in Herawati & Upadana, 2020).

Investment decision-making has been recognized as one of the important factors affecting financial ability and financial well-being, so the identification of factors related to relevant investment decisions is one of the important issues for individuals personally and for

national development. Changes in the investment environment that are currently very dynamic have led to a focus not only on making investment decisions but also on the level of financial literacy as well as on how the impact of the level of financial literacy on investment decision-making (Janor et al, 2016 dalam Purbawangsa & Dewi, 2018).

Research conducted by Welly (2016 inSukadana et al. (2021)) shows that aspects of financial literacy including general knowledge of personal finance, savings, and loans, insurance, and investment as a whole (simultaneously) have a significant influence on investment decisions of lecturers, employees, and students.

Every student and potential investor also needs an understanding of finance. Understanding finance is also one of the most important things for each individual, so that each individual, especially students or potential investors in the younger generation, can place their finances according to their needs. According to OJK (2016) in Ridho et al. (2021), financial literacy is the ability to manage funds owned so that these funds can increase and live more prosperously in the future. Students who already have the knowledge, skills, and beliefs about financial literacy can make rational and effective decisions regarding finances and economic resources. For this reason, financial literacy is needed before investing.

Research by Rasuma Putri & Rahyuda, (2017) in Triwahyuningtyas et al. (2020) said the level of financial literacy on individual investment decisions has a positive effect, while on individual investment decisions, income has a negative effect. In contrast to the Predication research, (2018) Triwahyuningtyas et al. (2020)) said the illusion of control and risk perception as well as financial literacy had no effect on investment decisions and overconfidence and risk tolerance had no effect on investment decisions. Research conducted by Dewi & Purbawangsa (2018) says that there is a positive influence of financial literacy and income on investment decisions, but it does not positively affect tenure on investment decision behavior. Furthermore, Fitriarianti's research (2018) states that there is a non-influenced relationship between financial literacy and investment decisions, but has an effect on the relationship between financial behavior and income on investment decisions. This study was conducted to determine the effect of financial literacy, financial behavior, and income on investment decisions. So the formulation of the problem in this study is whether financial literacy and financial behavior affect investment decisions.

2. Research Methode

2.1. Operational Definitian and Hypotheses

    a. Financial Literacy (X1)

            Financial literacy is knowledge of finance in terms of financial institutions and financial concepts as a whole, as well as the ability to utilize financial products and

manage personal finances in order to make short-term and long-term decisions (Safryani et al., 2020). Financial literacy (financial knowledge) has a positive effect on investment decisions. This means that financial knowledge can be an important basis for making a decision. The higher the knowledge about finance, the better in making financial decisions so that a person's financial behavior becomes better and more responsible (Soleha & Hartati, 2021).

H1: Financial literacy has a positive effect on investment decisions

b. Financial Behavior (X2)

Financial behavior is a form of combining aspects of one's financial ability and psychological ability in managing and utilizing financial resources as a basis for making decisions for daily needs and financial planning for the future, or business activities owned (Safryani et al., 2020). Financial behavior (financial attitude) has a positive and significant effect on investment decisions. This shows that students have a very good attitude toward financial management, and this will have an impact on the management of their financial behavior (Soleha & Hartati, 2021).

H2: Financial behavior has a positive effect on investment decisions

c. Investment Decesion (Y)

Investment decisions have the meaning of an action that is taken by someone in the present which is projected in the future in order to get a profit (Safryani et al., 2020). The increase in investment activity, is related to investment decision-making by investors. An investment decision is an action or policy taken in investing in one or more assets to generate a profitable return in the future (Wulandari & Iramani, 2014 dalam Pradikasari & Isbanah, 2018).

H3: Financial literacy and financial behavior simultaneously have a positive effect on investment decisions
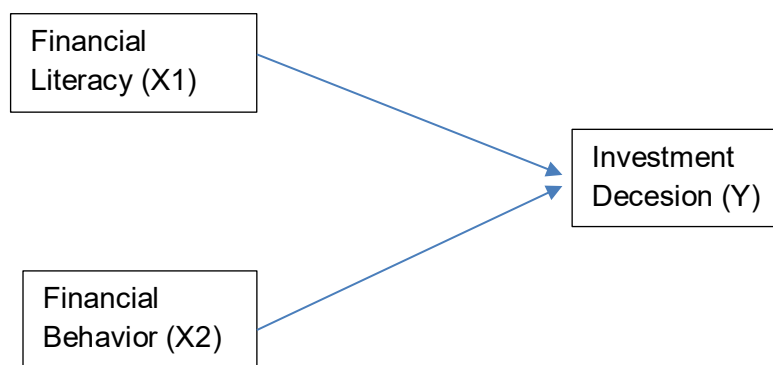
Figure 1. Conceptual Framework

2.2. Population and Sample

The population used in this study were all active students of the Universitas Islam Negeri (UIN) Salatiga. The sample used was 90 respondents with a random sampling method, which is a general sampling technique with a sample of active students of UIN Salatiga starting from the young semester to the old semester and from various social and economic backgrounds.

2.3. Data Collection Technique

The data source itself uses primary data and data collection techniques by filling out questionnaires distributed online (google form). The data that has been obtained through the questionnaire contains information that will then be processed to solve research problems and prove the truth of the hypothesis. The scale used is the Likert scale.

Tabel 1. Skala *Likert*

Weight	Statement	Decsription
5	SA	Strongly Agree
4	A	Agree
3	DK	Don't Know
2	DA	Don't Agree
1	SDA	Strongly Disagree

2.4. Data Analysis Technique

The method used in this study is a quantitative method, with classical assumption test techniques, multiple linear regression analysis, hypothesis testing, and the coefficient of determination. Multiple linear regression analysis is an analysis that aims to determine the effect of several independent variables on one dependent variable. The data analysis tool uses SPSS version 25 software. The classical assumption tests carried out consist of normality, heteroscedasticity, and multicollinearity tests. The data analysis technique also uses hypothesis testing. Hypothesis testing is used to estimate provisional estimates from previous research. The significance test between the dependent variables was either carried out jointly or partially by using the t-statistic test, the F statistical test, and the coefficient of determination (R^2).

3. Result and Discussion

3.1. Result

3.1.1 Classic Assumption Test

a. Normality Test

The normality test aims to test the independent variable and the dependent variable whether it produces a normal or abnormal distribution in the resulting regression equation (Ernitawati et al., 2020). In this study, the normality test was performed using probability plot analysis. The regression model is said to be normally distributed if the plotting data (dots) that describe the actual data follow a diagonal line. Based on the results of the study indicate that the plotting data follows a diagonal line, then the data is declared to be normally distributed.

b. Multikolinearity Test

The multicollinearity test aims to test whether the regression model can be found a correlation between the independent variables. The regression model can be said to be good if there is no correlation between the independent (independent) variables (Ernitawati et al., 2020).To test the presence or absence of multicollinearity in the regression model using the provisions of the tolerance value and Variance Inflation Factor (VIF). There is no multicollinearity symptom if the Tolerance value > 0.100 and the VIF value < 10.00. Based on the data analysis that has been carried out, it is known that all Tolerance values (0.660; 0.660) > 0.100 and VIF values (1.515; 1.515) < 10.00, it can be concluded that there are no symptoms of multicollinearity in this study.

c. Heteroskedastisity Tets

The heteroscedasticity test aims to test whether in the linear regression model there is an inequality of variance from the residuals of one observation to another observation (Ernitawati et al., 2020). In this study, the heteroscedasticity test was performed using scatterplot analysis. There is no heteroscedasticity if there is no clear pattern (wavy, widening, then narrowing) in the scatterplot image, and the points spread above and below the number 0 on the Y axis. widens, then narrows) in the scatterplot image, and the points spread above and below the number 0 on the Y axis. Thus, it can be concluded that there are no symptoms of heteroscedasticit

3.1.2 Miltiple Regression Analysis

Investment decision becomes the dependent variable in this study. Meanwhile, the independent variables are financial literacy and financial behavior. The multiple linear regression model with these variables can be arranged in functions or equations as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \varepsilon$$

Where:

Y = Investment Decession

α = Constanta

X_1 = Financial Literacy

X_2 = Financial Behavior

β = Koefisien Regression

ε = error

Tabel 2. Uji t dan Uji Multikolinearitas

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	6,391	2,270		2,815	,006		
	LK (X1)	,110	,066	,163	1,655	,102	,660	1,515
	PK (X2)	,660	,117	,557	5,649	,000	,660	1,515

a. Dependent Variable: KB (Y)

Sumber: Hasil olah data SPSS versi 25, April 2021

Based on the regression output of the above equation, the multiple regression analysis model used in this study can be formulated as follows:

$$Y = 6{,}391 + 0{,}110\ X_1 + 0{,}660\ X_2 + e$$

The regression equation above can be explained as follows:

a. The constant value (α) shows a positive value of 6.391 which means that if financial literacy and financial behavior are zero, investment decisions will increase by 6.391

b. The regression coefficient value of the financial literacy variable shows a positive value of 0.110 which means that investment decisions will increase by 0.110 units if financial literacy increases by one unit with fixed financial behavior.

c. The regression coefficient value of the financial behavior variable shows a positive value of 0.660 which means that investment decisions will increase by 0.660 units if financial behavior increases by one unit with fixed financial literacy.

3.1.3 Model Fit Test

Tabel 3. Uji R^2 (Koefisien Determinasi)

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,665[a]	,442	,430	2,494

a. Predictors: (Constant), FB (X2), FL (X1)

b. Dependent Variable: ID (Y)

The coefficient of determination (R2) according to Kesumawati (2017) in Ikhsan & Wardhana (2020), is the cause of changes in the dependent variable that comes from the independent variable, this coefficient of determination explains the magnitude of the effect of the value of a variable on the increase/decrease in the value of other variables. The results of this study indicate that the coefficient of determination which shows the Adjusted R-square value is 0.442. This means that 44.2% of the dependent variable, namely investment interest, can be explained by the independent variable, namely financial literacy and financial behavior. While the remaining 55.8% is explained by other variables outside of this study.

3.1.4 T Parsial Test

The t-test was used to test and measure the effect of each independent variable on the dependent variable. If the value of Sig. <0.05, it means that the independent variable (X) partially or independently affects the dependent variable (Y). Based on Table 2 above, it can be seen that the significance value of the financial literacy variable (X1) is 0.102, which means 0.102 > 0.05 so H0 is accepted and H1 is rejected, meaning that financial literacy has no influence on investment decisions. While the financial behavior variable (X2) has a significance value of 0.000 which means 0.000 <0.05 so H0 is rejected and H1 is accepted, meaning that financial behavior has an influence on investment decisions.

3.1.5 Uji F Simultan

Tabel 4. Uji F

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	429,206	2	214,603	34,510	,000[b]
	Residual	541,016	87	6,219		
	Total	970,222	89			

a. Dependent Variable: ID (Y)

b. Predictors: (Constant), FB (X2), FL (X1)

If the value of Sig. <0.05, it means that the independent variable (X) simultaneously or jointly affects the dependent variable (Y). Based on the results of the regression test, it can be seen that the calculated F value is 34.510 with a significance of 0.000. Based on the results of the F test, it means that financial literacy (X1) and financial behavior (X2) simultaneously have a significant effect on investment interest (Y).

3.2. Discussion

3.2.1 The Influence of Financial Literacy on Investment Decisions

The results of the regression test in this study indicate that the financial literacy variable has a significance value of 0.102, meaning that this value is above the alpha value or the error tolerance limit, so it can be concluded that H0 is accepted while H1 is rejected. This means that the financial literacy variable has no effect on investment decision-making.

This happens because students as investors continue to make investments and get advice from people who they consider to be experts in investing and they follow the advice so that they ignore their abilities. Respondents consider the suggestions of investors who are experts to be more appropriate in predicting good investments. Respondents also participate in making investment decisions during trading, investors only trade for the short term, so that many respondents buy and sell shares. This research is in line with research conducted by Pradikasari & Isbanah (2018).

3.2.2 The Influence of Financial Behavior on Investment Decisions

The results of the regression test in this study indicate that the financial behavior variable has a significance value of 0.000, meaning that this value is below the alpha value or the error tolerance limit so that it can be concluded that H0 is rejected while H1 is accepted. This means that the financial literacy variable has a significant effect on investment decision-making.

This shows that students have a very good attitude in financial management, which will have an impact on the management of their financial behavior. Students will be more responsible in managing personal finances, a good attitude will affect good behavior, if students cannot apply financial management properly, it is difficult for them to make decisions to save or invest. This study is in line with research conducted by).oleh Damayanti & Fauzi (2020), Landang et al. (2021), Lindananty & Angelina (2021), Pangestika & Rusliati (2019), Putri & Hamidi (2019), Soleha & Hartati (2021), Upadana & Herawati (2020).

3.2.3 The Influence of Financial Literacy and Financial Behavior on Investment Decisions

The results of the regression test in this study indicate that the financial literacy and financial behavior variables simultaneously have a significance value of 0.000, meaning that

this value is below the alpha value or the error tolerance limit so that it can be concluded that H0 is rejected while H1 is accepted. This means that the variables of financial literacy and financial behavior simultaneously affect investment decision-making. This study is in line with the research conducted by Landang et al. (2021), Lindananty & Angelina (2021), Pangestika & Rusliati (2019).

The results of this study indicate that the coefficient of determination which shows the Adjusted R-square value is 0.442. This means that 44.2% of the dependent variable, namely investment interest, can be explained by the independent variable, namely financial literacy and financial behavior. While the remaining 55.8% is explained by other variables outside of this study.

4. Conclussion

Through this research, the researcher intends to find out the effect of financial literacy and financial behavior on the investment decisions of students at the Salatiga State Islamic Institute. Based on the results of data processing along with the analysis and discussion that has been carried out in this study, it can be concluded that:

a. Partially, financial literacy does not show any influence on the investment decisions of students of the Salatiga State Islamic Institute.
b. Partially, financial behavior shows an influence on the investment decisions of students of the Salatiga State Islamic Institute.
c. Financial literacy and financial behavior simultaneously affect the investment decisions of students at the Salatiga State Islamic Institute.

The results of this study are very important considering that basically in determining an investment a person should understand what product they are using in order to avoid the lure of lucrative profits without being aware of the risks that will be faced. Suggestions for future researchers who will research with the same theme are to add new independent variables because this study only uses 2 independent variables, and the variables studied only affect 44.2% of investment decisions. Then expand the sample, because in this study only used a sample of 90 respondents. Furthermore, it is suggested to further researchers to use more research instruments, not only questionnaires.

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