

ANALYSIS OF FINANCIAL LITERACY AND FINANCIAL BEHAVIOR TOWARDS INVESTMENT DECISIONS

(Case Study on Kartu Indonesia Pintar at University State of Makassar)

Kartika Septiary Pratiwi Musa*

Faculty of Economics and Business, State University

Email: kartika.septiary@unm.ac.id*

Abstract

Every investment has consequences, so choosing wisely is crucial as it will impact the future. Greater accessibility to financial services and products for the general public may not always yield positive results, especially for younger generations who lack good financial management skills. The aim of this study is to examine how financial behavior and financial literacy influence the investment choices made by KIP recipient students at Universitas Negeri Makassar from the 2022 cohort. Using a quantitative technique, 100 respondents were given questionnaires as part of the research methodology. Multiple regression analysis and validity tests were employed in the data analysis, which was conducted using SPSS software version 30.0.0. The results of the study indicate a substantial positive correlation between investing decisions and financial literacy, with higher levels of financial literacy being associated with better investment decisions. Furthermore, it was found that students' investment decisions are significantly influenced by their financial behavior.

Keywords: *Financial Literacy, Financial Behavior, Investment Decisions*

INTRODUCTION

In an increasingly complex modern era, the ability to understand and manage finances is becoming one of the important skills, especially for students. As humans, we have desires. When discussing life desires and goals from a financial perspective, this topic is closely related to financial freedom. The single most important thing we can invest in achieving this goal.

A thorough understanding of investment decisions is required before choosing an investment. When calculating the return on investment, a number of elements need to be taken into account, such as

liquidity, time value of money, security, risk, and yield. Making wise investment choices requires an understanding of the relationship between return on investment and investment risk, which states that the higher the return on investment, the higher the risk that investors need to be aware of. (Siregar & Anggraeni, 2022).

It is impossible to engage in this investment activity without a basic understanding. Therefore, gaining a thorough understanding of financial literacy is essential. financial literacy can be defined as an understanding of the aspects of Finance aimed at improving the well-being of individuals. In simple terms, financial literacy reflects the basic understanding that needs to be controlled by the surrounding environment in terms of money management. (Riset et al., 2024). Research by Muhammad Panji and Novi Lailiyul Wafiroh (2020) reveals that financial literacy is influenced by several aspects, and when it comes to making investment decisions, finance plays an important role.

Behavioral finance is just as important as financial literacy when it comes to determining investment decisions. Financial behavior is another aspect that influences investment decisions. The behavioral science of financial psychology known as "behavioral finance" examines how people make investments and engage in other financial activities. Effective financial management starts with implementing good financial practices. This shows that

financial behavior includes payments, recording expenses, setting budgets, and storing money. To carry out investment activities, a person creates a certain budget. According Siregar, D. K. dan Anggraeni, D. R. (2022), financial behavior has a major influence on how investors make decisions.

The majority of investors in the capital market are those under the age of 30. Most of the investor positions are held by teachers, private sector employees and government employees; students are in second place with a difference of 6.68%. This shows that students are now the majority investors in Indonesia. Students majoring in business and economics have extensive investment experience. This is because they are taught materials and investment strategies that can be used to gain expertise and knowledge in the field of investment. Penelitian yang dilakukan (Riset et al., 2024) shows how financial behavior, income levels, and financial understanding all have a major impact on investment decisions.

Students can get financial aid through scholarships and family benefits. Regarding scholarships, Indonesia has a number of options, such as Kip-K scholarships.

Several programs, the Ministry of Culture, Research, and technology has initiated various programs, including the Kuliah Indonesia Smart Card Program (KIP-Kuliah). to help outstanding students who have financial constraints but still want to pursue higher education.

This study investigated the relationship between financial behavior and literacy using a case study of students receiving Kip class 2022 of Makassar State University. It is hoped that this research will provide a fundamental understanding of how students ' financial behavior and financial literacy affect their capacity to make wise investment decisions.

LITERATURE REVIEW

Financial Literacy

The knowledge needed to help people manage finances and reduce poverty is known as financial literacy (against et al., 2021). Wagland dan Taylor dalam (Riset et al., 2024) understanding various day-to-day financial activities, such as credit, insurance, investments in real estate, savings and loan operations, and securities of financial assets, is referred to as financial knowledge. The ability to make wise and profitable financial decisions is another important component of financial literacy.

Based on its definition, one can conclude that the ability to manage daily expenses and make wise financial decisions is called financial literacy, which plays a role in improving well-being as well as reducing poverty.

Financial Behavior

a person's financial behavior is when they manage, invest, and use their money. This includes the ability of individuals or families to manage their finances, including savings, investments, insurance, and budgeting. Emotions, characteristics, inclinations and other components of behavior that are innate to man as a social and intellectual entity, are all included in financial behavior (Pramesdya & Dewanti, 2024).

Financial behavior refers to a person's ability to oversee and handle day-to-day financial affairs, such as budgeting, assigning, monitoring, organizing, distributing, and storing money (Novanda Zoelva Mina Raya et al., 2023).

From financial behavior, according to the description above, is a person's capacity to manage money includes the management of investments and the daily use of funds and is influenced by the characteristic emotions and behavioral components of individuals that affect the way they handle finances.

Investment Decisions

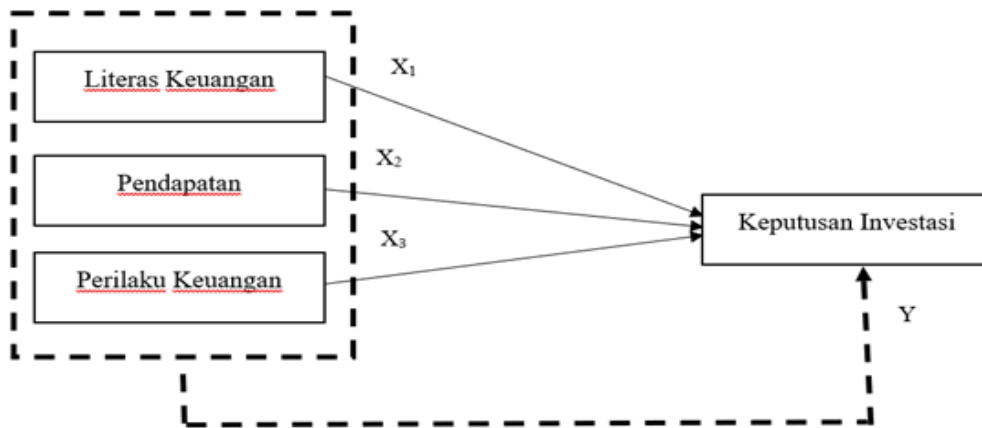
Investment decision is the process of analyzing the feasibility of an investment based on factors that are personal. Evaluating an investment to determine if it is viable and profitable over time is known as.

investment decision making. Everyone makes different investment decisions because different factors play a role. Namun, mencapai hasil terbaik tetap menjadi tujuan utama (Pramesdya & Dewanti, 2024).

Menurut Tandelilin dan Herlianto dalam (Riset et al., 2024), investment decisions are processes that take place on an ongoing basis until the most optimal investment decision is reached. From both definitions given above that making investment decisions is an ongoing process that includes feasibility analysis based on individual circumstances. Although individual investment decisions differ, the ultimate goal remains to achieve optimal and profitable results over time

compared to their peers, it can cause dissatisfaction and demotivation. So fairness in awarding is very important to ensure employee motivation and performance.

FRAME OF MIND



- H1: the effect of financial literacy on the investment choices of students receiving Kip scholarship from Makassar State University batch 2022
- H2: the investment decision of the Kip scholarship winners of Makassar State University Class of 2022 is influenced by their financial behavior.
- H3: financial behavior and financial literacy affect the investment choices of students receiving Kip scholarship from Makassar State University Class of 2022

RESEARCH METHODS

This study uses quantitative research design with a descriptive approach, as well as survey methods by distributing questionnaires to participants. The population of this study was 100 respondents who were recipients of KIP-K from Makassar State University Class of 2022, one of the analysis techniques was multiple regression analysis, and SPSS software was used for testing.

RESULTS AND DISCUSSION

Results

Table 1. Hasil Validity Test Results

NO	Indikator	Item	Nilai R Hitung	Nilai R tabel	Keterangan
1	Literasi Keuangan	X1.1	0.525	0,1966	Valid
		X1.2	0.447	0,1966	
		X1.3	0.280	0,1966	
		X1.4	0.427	0,1966	
		X1.5	0.322	0,1966	
		X1.6	0.233	0,1966	
2	Perilaku Keuangan	X2.1	0.448	0,1966	Valid
		X2.2	0.433	0,1966	
		X2.3	0.273	0,1966	
		X2.4	0.277	0,1966	
		X2.5	0.289	0,1966	
		X2.6	0.360	0,1966	
3	Keputusan Investasi	Y.1	0.623	0,1966	Valid
		Y.2	0.305	0,1966	
		Y.3	0.312	0,1966	
		Y.4	0.338	0,1966	
		Y.5	0.385	0,1966	
		Y.6	0.481	0,1966	

Source: data processed 2025

Financial Literacy:

The calculated R value for each indication between X1.1 and X1.6 is higher than the table R value (0.1966). Indication X1.1 has the largest value of 0.525, while indication X1.6 has the lowest value of 0.233. These findings prove the validity of each item on financial literacy variables.

Financial Behavior:

Each indicator of financial behavior, ranging from X2.1 to X2.6, has an estimated R value greater than the R in the table. at 0.448, X2,1 has the largest value, and at 0.273, X2,3 has the lowest value. Based on these findings, every element in the financial behavior variable is valid.

Investment Decisions:

The calculated r value for the investment option variable is 0.623 at Y1, the highest, and 0.305 at Y2.2. Since each calculated value of r is higher than the R of the table, then each item in this variable is valid.

Reliability test results

Chart 2. Reliability Test

No	Variabel Penelitian	Cronbach's Apha	Syarat Cronbach's Apha	Keterangan
1	Literasi Keuangan	0.686	0.600	Reliabel
2	Perilaku Keuangan	0.674	0.600	Reliabel
3	Keputusan Investasi	0.705	0.600	Reliabel

From the test results, variables for financial behavior, investment decisions, and financial literacy had values of 0.674, 0.705, and 0.686 for Cronbach's Alpha. All these values are higher than the established minimum requirement, which is 0.600, which indicates that the instrument for these three variables is reliable. This means that the questionnaires used in the study have good consistency and can be relied upon to measure the same variable across different conditions or samples. Good reliability indicates that the instrument can provide stable and accurate results, so the data obtained can be trusted for further analysis in the study.

Chart 3. R square test result

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.858 ^a	.736	.730	.06529
a. Predictors: (Constant), financial behavior, financial literacy				
b. Dependent Variable: keputusan investasi				

Source: data processed 2025

The R-Square result is 0.730, which shows that student financial behavior and financial literacy accounted for 73% of the variation or change in investment decisions. Despite this, this research model does not take into account other issues and accounts for the remaining 27%.

Chart 4. F test results

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1.152	2	.576	135.132	<.001 ^b
	Residual	.413	97	.004		
	Total	1.565	99			
a. Dependent Variable: keputusan investasi						
b. Predictors: (Constant), financial behavior, financial literacy						

Source: data processed 2025

The results show how these factors have a significant impact on the dependent variable of investment decisions. independent financial behavior and financial literacy simultaneously ($F > F$ table value of $135.132 > 3.09$ and significance value of $0.000 < 0.05$). This study shows, with a very significant and high F value, how much the financial behavior and financial literacy of students receiving KIP from Makassar State University Class of 2022 affect their investment choices.

Chart 5. T Test Results

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	25,600,108	.108		237,676	<.001
	financial literacy	.017,004,247	.004	.247	4,731	<.001
	behavioral finance	.051,003,806	.003	.806	15.421	<.001
a. Dependent Variable: keputusan investasi						

Source: data processed 2025

Financial literacy (X1) has a calculated T value of 4.371, which is much higher than the table t value of 1.984, based on the feasibility test findings. In addition, the significance value (Sig) of this variable is 0.000, which indicates a significant finding at the level of 0.05. This shows that KIP-receiving students at Makassar State University make investment decisions based largely on their financial understanding. Mahasiswa who have higher financial literacy will be better equipped to understand and evaluate financial information, which will facilitate making more sane and profitable investment choices. Financial literacy is very important for mahastudents to make more informed investment choices. The calculated T value of 15.421 for the financial behavior variable (X2) is substantially greater than the tabular T value of 1.984. This finding was significant at a level of 0.05, as indicated by a significance value (Sig) of 0.000.

DISCUSSION

The Influence Of Financial Literacy On Investment Decisions

Regression analysis was used in this study to measure financial literacy, and the calculated t value of 4.371 proved to be significantly higher than the tabular t value of 1.984. At the level of 0.05, significant results are shown with a significance value (GIs) of 0.000. Thus, H1 is accepted which indicates that the investment decisions of students receiving KIP Makassar State University are significantly influenced by their financial literacy. This finding is consistent with previous research conducted by Rizki Andreansyah, Faradila Meirisa, and Dina Khairuna Siregar and Desfi Rahma according to Anggraeni (2022), financial literacy plays a significant role in influencing investment decisions. The findings of this study corroborate the findings of Safryani, Aziz, and Triwahyuningtyas (2020), Upadana and Herawati (2020), and Landang et al. (2021) which found that students' investment decisions will increase as financial knowledge increases. Therefore, this study supports the claim that having a thorough understanding of Finance is critical in improving students' ability to make wise investment decisions.

Financial Behavior Towards Investment Decisions

Based on the results of the T-test which shows a significance value of 0.000 which means less than 0.05 and the projected t value of 15.421 which means greater than the table t value which means 1.984, then H1 can be accepted. It shows how factors have a large impact on investment decisions partially financial behavior. Thus, the financial behavior of KIP recipient students at Makassar State University Class of 2022 is proven to have a strong and positive impact in determining their investment decisions. According to Dina Khairuna Siregar and Desfi Rahma Anggraeni (2022), these findings support previous research that shows good financial behavior contributes positively to student investment decision-making. Research by Upadana & Herawati (2020) and Landang et al (2021) confirms that college students with better financial behavior are usually accompanied by greater courage and confidence when making investment decisions. Thus, our study reinforces the empirical evidence that behavioral finance.

students receiving KIP at Makassar State University Class of 2022 have a strong and beneficial influence on the way they decide to invest, demonstrating the importance of education to have a strong understanding of financial principles related to investment.

Influence Of Financial Literacy And Financial Behavior On Investment Decisions

The study findings show that there pengaruh simultan is a very significant simultaneous influence of the independent variables of financial behavior and financial literacy on the

dependent variable of investment decisions. Data that corroborates previous research by Dina Khairuna Siregar and Desfi Rahma Anggraeni (2022) support this. This shows that H3 or financial behavior and financial literacy together have a positive and significant influence on student investment decision making can be accepted. Furthermore, financial behavior, income, and financial literacy are examples of independent variables that simultaneously have a major and positive influence on investment decisions, according to research by Rizki Andreansyah and Faradila Meirisa (2022). Thus, the results of this study confirm the importance of these two variables in improving the quality of student investment decisions.

CONCLUSION

This study shows how KIP recipient students at Makassar State University Class of 2022 make important investment decisions based on their financial behavior and financial knowledge a higher level of financial knowledge is directly related to better investment decisions. A solid understanding of finance allows students to consider the advantages and disadvantages of various investment instruments, thus facilitating more informed decision making. Furthermore, good financial practices, such as wise money management, are essential in the process of choosing an investment. The majority of students who demonstrate good financial behavior make investments that give higher returns because they are able to achieve a balance between short-term and long-term financial goals.

REFERENCE

- Andreansyah, R., & Meirisa, F. (2022). Analysis Of Financial Literacy, Income, And Financial Behavior, Towards Investment Decisions. *Management Student Research Publications*, 4(1), 17-22. <https://doi.org/10.35957/prmm.v4i1.3302>
- The Gift, H., Nurwati, S., & Sarlawa, R. (2020). The Influence Of Financial Literacy On Financial Decisions And Financial Behavior As Intervening Variables Of Students Of The Faculty Of Economics And Business, University Of Palangka Raya. *Journal Of Management Science And Organization*, 1(1), 50-63. <https://doi.org/10.52300/jmso.v1i1.2372>
- Lindananty, L., & Angelina, M. (2021). The influence of financial literacy, financial behavior and income on stock investment decisions. *Continental Journal Of Accounting*, 6(1), 27-39. <https://doi.org/10.36805/akuntansi.v6i1.1298>
- Novanda Zoelva Mina Raya, Johanis Souisa, Sasi Fadillah, & Dhiyas Vonny Wulan Febriana. (2023). The influence of financial literacy, financial behavior and risk tolerance on student investment decisions (at Semarang University). *Journal Of Management And Business Economics*, 2(1), 19-38. <https://doi.org/10.54066/jmbe-itb.v2i1.989>
- Pramesdya, A., & Dewanti, R. (2024). *The influence of financial literacy , financial behavior , Herding Behavior , Risk Tolerance, and Overconfidence on capital market investment decisions (Case Study on University of Muhammadiyah Surakarta students)*. 8(2), 672–687.
- Primasari, R., Gati, V., & Blessed, S. (2024). The effect of Financial Literacy, risk perception, financial behavior, and income on investment decisions in civil servants of

the financial and Asset Management Agency of East Java province. *Journal of Accountancy AKUNESA*, 12(3), 292-301. <https://doi.org/10.26740/akunesa>

Research, J., Nipa, U. N., Two, T. D., Nine, K. P., & Goo, E. E. K. (2024). *The influence of financial literacy and financial behavior on investment decisions of University of Nusa Nipa students (Empirical Study on students of accounting Study Program, Faculty of Economics , University of Nusa Nipa, Indonesia increases sustainable sources of income . To avoid any loss.* 2(3).

Siregar, D. K., & Anggraeni, D. R. (2022). *39-Article Text-103-1-10-20220130.* 2(1), 96–112.

Against, P., Invest, K., & Denpasar, M. (2021). *Gold Journal.* 2, 51–70.

W, M. P., Wafiroh, N. L., & Key, K. (2022). *Analysis Of The Effect Of Financial Literacy And Social Media On Stock Education On Investment Decisions (Case Study On Malang City Students).* 8, 200–206.