Determinandts of Investment decision on Lecture college in Bekasi

Wastam Wahyu Hidayat
Faculty of Economics and Business, Universitas Bhayangkara Jakarta Raya
Corresponding Author: Wastam Wahyu Hidayat @dsn.ubharajaya.ac.id

A R T I C L E I N F O

A B S T R A C T

This The aim of the research is to determine the effect of financial literacy and income on investment decisions for staff and lecturers at the Technical College in Bekasi. The sample of this study was 70 respondents who were staff and lecturers of the Technical College in Bekasi. The results of the research data were collected through questionnaires which were processed and analyzed using regression analysis, classical assumption test, quality test used was test and reliability test using Cronbach alpha. The results showed that financial literacy and income partially have a positive and significant effect on investment decisions, because the Sig of each variable is smaller than 0.05, namely; Sig,0.000 and Sig.0.003. Simultaneously, it shows that there is an effect of financial literacy and income on investment decisions for the Staff and Lecturers of the Technical College in Bekasi because Signya: Sig. 0.000.

INTRODUCTION

In the current era of the global economy, financial intelligence is something that needs to be considered. For finances to be managed properly, individuals need to understand financial literacy. Financial literacy includes basic needs that individuals must have to avoid financial problems. This phenomenon of modern financial problems occurs not only because of the low level of income but can also occur because of the low financial literacy of individuals. According to (OJK, 2019) based on the third National Financial Literacy Survey (SNLIK), which shows the financial literacy index reached 38.03 % and the financial inclusion index 76.19%. This figure is an increase compared to the results of the 2016 Financial Services Authority (OJK) survey, namely the financial literacy index of 29.7% and the financial inclusion index of 67.8%. Thus, in the last 3 years there has been an increase in public financial understanding (literacy) by 8.33%, and an increase in access to financial products and services (financial inclusion) by 8.39%. A low level of financial literacy will have an impact on the emergence of various financial problems, one of the most common financial problems that arise is regarding financial planning for the future or investment. The first problem regarding investment is mistakes in allocating resources (money) which tend to be made by people who have low financial literacy. This causes the community to be unable to set aside these resources (money) to plan for a better economic situation in the future. According to (Aziza, 2017) said that understanding financial literacy can improve people's habits to save and invest, which in turn, can improve people's welfare. According to (Astuti, 2020) said the financial literacy index in Indonesia has indeed increased in the last few years so it requires a long struggle more than half of the Indonesian people do not understand the financial sector properly. Income is also one of the factors that influence investment decisions. Income is a material result of a person's sacrifice to meet his needs. Someone who will start investing will consider how much income is earned and what percentage of income will be allocated in choosing the type of investment. According to (Sari, 2017), a large income will certainly help and influence a person in determining the type of investment, both high-risk and low-risk, with profits that are following the risks taken. They must also be equipped with good financial literacy to be able to make the right investment decisions so that they will benefit and will not experience financial difficulties in the future. One of the main decisions before investing is to make a mature funding decision to make the right investment. Before investing, individuals must look at the number of funds and the number of funds that individuals have and where the sources of these funds are obtained, whether from personal savings or loans. With this, individuals can determine the type of investment with the funds they have. According to (Maldini, 2020), with good financial literacy, individuals can choose good and appropriate investments for their finances.

LITERATURE REVIEW
Financial Literacy

Long with the development of today's modern era, individuals are required to know about financial management. Finance is an important aspect inherent in the life of the wider community. According to (Margaretha & Pambudhi, 2015) financial knowledge possessed can assist individuals in making decisions in determining financial products that can optimize their financial decisions. Knowledge of finance is very important for individuals so that they are not wrong in making financial decisions later. According to (Soetiono & Setiawan, 2018) someone with good financial literacy will be able to see money from a different perspective and have control over their financial condition. The person will know what to do with the money they have and know how to use it. Literacy broadly means practice in social relations related to knowledge, language, and culture which includes how a person communicates in society. According to (Putri & Rahyuda, 2017) financial literacy is defined as the experience of each individual in managing their finances, in financial management each individual has different experiences such as in planning investments, pension funds, insurance, and credit. Financial literacy is part of learning in managing finances and investment planning so that in making financial decisions every day you can be more focused and wiser. According to (Hussain & Sajjad (2016) the term financial literacy describes an individual's ability to deal with financial problems appropriately and successfully. In general, financial literacy discusses a person's income, its sources, and the effective and efficient use of its income, spending income by making decisions that trust themselves about savings or savings according to the situation. According to (Mendari & Kewal, 2013) financial literacy is knowledge about finance and the ability to use that knowledge (apply it) to achieve prosperity. From the various definitions above, it can be concluded that financial literacy is the knowledge and ability of individuals in utilizing their financial resources so that individuals can make appropriate and effective financial decisions and policies to improve welfare and avoid financial problems. The Financial Services Authority (OJK, n.d.) The level of financial literacy of the Indonesian population is divided into four groups, namely: Well literate, namely having knowledge and beliefs about financial service institutions and financial service products, including features, benefits, and risks, rights, and obligations related to financial products and services, and having skills in using products and financial services Sufficient literate, has knowledge and beliefs about financial service institutions and financial products and services, including features, benefits and risks, rights, and obligations related to financial products and services. Less literate, only knows financial service institutions, financial products, and services. Not literate, do not have knowledge and confidence in financial service institutions and financial products and services and do not have skills in using financial products and services.

Income

According to (Herlindawati, 2015) income can have various meanings, depending on which side to review the meaning of income. This research will focus on the income generated by individuals or individuals. Income can be defined as the total amount of money received by a person or household during a certain period (usually one year). Income can be in the form of/salary, or labor receipts, income from wealth such as rent, interest, and dividends, as well as transfer payments or receipts from the government such as social benefits or union insurance. According to (Sari, 2017) income is the amount of money that a person gets for his business results and performance. it is very important to define income as inaccurate in itself. Income is the result of a person in the form of material to meet the needs of his life, by choosing the available sources of income, a person can have various types of investments in general such as stocks, bonds, deposits, gold, and various other types of investments. According to (Lumintang, 2013) income is one indicator to measure the welfare of a person or society, so the income of this community reflects the economic progress of a society. A person's income depends on the work in the service or production sector, as well the hours of work devoted, and the level of hourly income received. According to (Kholilah & Iramani, 2013) income is the amount of income received during a certain period based on the type of work, achievement, and work. It is likely that individuals with higher incomes will exhibit more responsible financial management behavior, given that the available funds allow them to act responsibly. It is likely that individuals with higher incomes will exhibit more responsible financial management behavior, given that the available funds provide an opportunity to act responsibly. According to Vincentius Andrew and Nanik Linawati (2014), stated that income (Personal Income) is the total gross income of an individual derived from wages, and business companies from various investments. Family or household income can be defined as the income of all household members obtained from several sources of income such as the husband's income combined with the wife's income, the higher the income of a person, the person will try to gain an understanding of how to use finances efficiently. better through financial knowledge. The amount of income in a family is often associated with investment decision-making. However, many families do not know about utilizing finance so they do not have a good understanding of investing. For this reason, the need for financial knowledge, the more knowledge about financial literacy, the investors will be wiser in making financial decisions. Income is measured based on income from all sources with indicators of wages or salaries.

Investment Decision

According to (Sari, 2017) investment decisions are important decisions in financial management. According to (Wulandari & Iramani, 2014) investment is an activity of placing capital into a particular business to obtain additional income and profits. Meanwhile, according to (Wulandari & Iramani, 2014) investment is an activity of placing capital into a particular business that has the aim of obtaining additional income. An investment decision is a decision in

which a person must allocate his funds in the form of investments that can bring profits in the future. The purpose of investing is due to inflation in the future. Uncontrollable prices result in reduced purchasing power of money so the investment is needed.

Based on the description of the theoretical basis and previous research, the conceptual framework of the research can be arranged as follows:

If your work is quantitative, please provide previous research that agrees or rejects your proposed hypothesis.
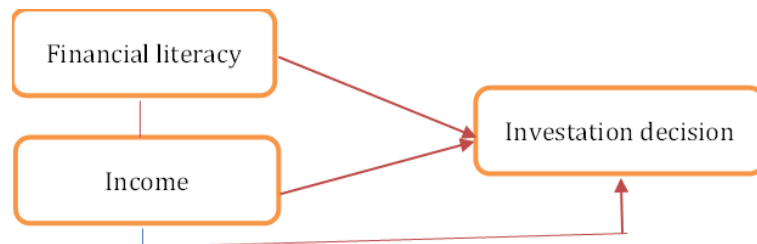

Figure 1: Conceptual Framework

Hypothesis

The Effect of Financial Literacy on Investment Decisions

Based on the results of research conducted by (Mertha & Purbawangsa, 2018) it is stated that financial literacy has a significant effect on individual investment decision behavior. That is, the higher the level of individual financial literacy, the better the behavior of investment decisions. According to, (Putri & Rahyuda, 2017) states that low financial knowledge affects financial planning in the future, while ignorance of the basic concepts of finance (financial literacy) a person, the wiser in determining investment decisions.

H1: Financial literacy affects investment decisions

Influence of Income on Investment Decision

According to (Sari, 2017) large income can influence someone in influencing someone in high-risk investment decisions with high returns. Income is very influential on investment decisions, because it can be measured by how much or how much income a person has.

H2: Income has an effect on investment decisions

Effect of Financial Literacy and Income on Investment Decisions

Individual investment decisions, namely Financial Literacy and Income. Individuals with a good level of financial knowledge and understanding can make good and appropriate investment decisions and individuals with high-income levels can make investment decisions that are following what they want. So, the level of financial literacy and income affect individual investment decisions. According to (Dewi & Purbawangsa, 2018) it can be concluded that financial literacy has a positive effect on individual investment decisions. This means that the higher the level of financial literacy, the better the behavior of individual investment decisions. Income has a positive effect on investment

decisions. This means that the higher the level of income, the better the behavior of individual investment decisions

H3 : Literacy and income affect investment decisions

Based on the description of the theoretical basis and previous research, the conceptual framework of the research can be arranged as follows:

METHODOLOGY
Research Approach

This type of research is survey research. Survey research was conducted to obtain information from respondents through the sample under study. This study uses an explanatory research approach, namely to examine the relationship or influence between the hypothesized variables. The research approach is a design, guideline, or reference for research to be carried out. This research approach is quantitative because it is following the problems raised in this study.

Variable Operational Definition

The operational definition of variables is an attempt to detect variables related to research problems and to facilitate understanding in research. Then the operational definition of the variables used in this study are as follows: The investment decision is a decision to allocate the funds owned for investment to obtain profits in the future. According to (Putri & Hamidi, 2019), the indicators in Investment Decisions are as follows: Return (rate of return), Risk (Risk), and The Time Factor (time),Financial Literacy is the knowledge and ability of individuals to make effective investment decisions and policies by utilizing their financial resources. According to (Putri & Hamidi, 2019), the indicators of Financial Literacy are as follows: General Knowledge of Finance, Savings, and Loans, Insurance, and Investment.Income is material that results from the sacrifices made by a person to meet their needs. According to (Reviandani, 2019), there are indicators of income, namely as follows: Bonuses, incentives, additional income, salary, and investment.

Population and Sample

According to Sugiyono (2013) population is a generalization area consisting of objects/subjects that have certain qualities and characteristics that are determined by researchers to be studied and then drawn conclusions. The population taken amounted to 70 staff and lecturers. In this study, data collection was carried out by distributing questionnaires to respondents. The distribution of the questionnaire was carried out in a closed manner. The method used is the Likert scale technique, which is designed to test the respondent's degree of agreement with a statement or question.

RESEARCH RESULT

Based on the evaluation of respondents' answers to statements regarding financial literacy, income, and investment decisions on Technical College Staff and Lecturers in Bekasi, it can be seen in the following table:You should never forget the numbers for each table and chart presented in your paper.

Table 1. Description of Respondents' Responses Regarding Financial LiteracyTechnical College Staff and Lecturers in Bekasi

NO	Strongly Agree		Agree		Disagree		Don't Agree		Strongly disagree		Amount	
	F	%	F	%	F	%	F	%	F	%	F	%
1	23	32,86%	27	38,6%	15	21,43%	4	5,71%	1	1,43%	70	100%
2	22	31,43%	26	37,1%	17	24,29%	3	4,29%	2	2,86%	70	100%
3	24	34,29%	28	40,0%	14	20,00%	2	2,86%	2	2,86%	70	100%
4	23	32,86%	25	35,7%	16	22,86%	5	7,14%	1	1,43%	70	100%
5	23	32,86%	26	37,10%	13	18,57%	6	8,57%	2	2,86%	70	100%
6	27	38,57%	29	41,40%	10	14,29%	3	4,29%	1	1,43%	70	100%
7	28	40,00%	24	34,30%	11	15,71%	6	8,57%	1	1,43%	70	100%
8	27	38,57%	25	35,7%	12	17,14%	5	7,14%	1	1,43%	70	100%

Source: Data Processing Results (2021)

From table 4.5 for the statement on the Financial Literacy variable that is on the Staff and Lecturers of the Technical College in Bekasi with a total of 70 employees as respondents with a statement of 8 items. From the statements given by researchers to respondents, the majority of respondents answered agree and strongly agree.

Hidayat

Table 2. Description of Respondents' Responses Regarding Income
Technical College Staff and Lecturers in Bekasi Alternative Answer

NO	Strongly Agree		Agree		Disagree		Don't Agree		Strongly disagree		Amount	
	F	%	F	%	F	%	F	%	F	%	F	%
1	21	30,00%	29	41,40%	13	18,57%	6	8,57%	1	1,43%	70	100%
2	20	28,57%	31	44,30%	14	20,00%	5	7,14%	0	0,00%	70	100%
3	23	32,86%	27	38,60%	10	14,29%	8	11,43%	2	2,86%	70	100%
4	24	34,29%	26	37,10%	15	21,43%	3	4,29%	2	2,86%	70	100%
5	22	31,43%	28	40,0%	12	17,14%	7	10,00%	1	1,43%	70	100%

Source: Data Processing Results (2021)

From table 4.6 for the statement on the Income variable for the Staff and Lecturers of the Technical College in Bekasi, with the number of respondents as many as 70 people and the statement regarding Income as many as 5 items. From the statements given by the researcher, the majority of respondents answered agree and strongly agree.

Table 3. Description of Respondents' Responses Regarding Investment
Decisions Technical College Staff and Lecturers in Bekasi

NO	Alternative Answer											
	Strongly Agree		Agree		Disagree		Don't Agree		Strongly disagree		Amount	
	F	%	F	%	F	%	F	%	F	%	F	%
1	21	30,00%	29	41,40%	13	18,57%	6	8,57%	1	1,43%	70	100%
2	20	28,57%	31	44,30%	14	20,00%	5	7,14%	0	0,00%	70	100%
3	23	32,86%	27	38,60%	10	14,29%	8	11,43%	2	2,86%	70	100%
4	24	34,29%	26	37,10%	15	21,43%	3	4,29%	2	2,86%	70	100%
5	22	31,43%	28	40,0%	12	17,14%	7	10,00%	1	1,43%	70	100%

Source: Data Processing Results (2021)

Table 4.7 for the statement on the investment decision variable for the staff and lecturers of the Technical College in Bekasi with a number of respondents as many as 70 employees and a statement regarding investment decisions as many as 5 items. From the statements given by the researcher to the respondents, the majority of respondents answered agree and strongly agree. Data analysis in this study used multiple regression analysis. In this study, there are two independent variables, namely Financial Literacy and Income, and one dependent variable, namely Investment Decision. Multiple Linear Regression Analysis has the following formula:

Table 4. Regression Analysis

	B	Std.dev	t	Sig.
(Constant)	3.260	.723	4.506	.000
Financial Literacy	0.336	.055	6.064	.000
Income	0.308	.100	3 .084	.003
R Square	,908			
Adj. R Square	,906			
F-Sig	,000b			

Source: Data Processing Results (2021)

DISCUSSION

The Effect of Financial Literacy on Investment Decisions

In accordance with table 4.8, the regression analysis that was carried out partially on the financial literacy variable on the investment decision variable, the significance value was obtained at 0.000, which is smaller than 0.05, this means that the financial literacy variable has a positive and significant effect on the investment decision variable in Staff and Lecturers of the Technical College in Bekasi. Based on table 4.5 regarding the respondent's description of the statement of financial literacy. It can be concluded that the majority of respondents answered agree as many as 26 people (37.10%) in the second statement, namely good financial literacy can help in making the right investment decisions.

Effect of Income on Investment Decision

In accordance with table 4.8 Regression analysis, partially the Income variable on Investment Decisions, the significance value is 0.003, which is smaller than 0.05, this means that the Income variable has a positive and significant effect on the Investment Decision variables of Technical College Staff and Lecturers. in Bekasi. Based on table 4.6 regarding the respondent's description of the statement regarding income. So it can be concluded that the majority of respondents answered strongly agree as much as 28 people (40.00 on the third statement, namely about a high level of income will help and influence in determining the type of investment chosen.

Effect of Financial Literacy and Income on Investment Decisions

In accordance with table 4.8 Regression analysis, based on the simultaneous testing of the Financial Literacy variable and the Income variable on the Investment Decision variable, a significant value of 0.000 was obtained, which is less than 0.05. So it can be concluded that there is an influence between the Financial Literacy variable and the Income variable together on Investment Decisions. Based on table 4.7 regarding respondents' descriptions of statements regarding investment decisions, where the majority of respondents answered agreed as many as 29 people (41.40%) on the first statement, namely regarding the main purpose of investing, namely to earn profits.

CONCLUSIONS AND RECOMMENDATIONS

Based on the description of the discussion above, the conclusions of this study are as follows: Financial literacy variable partially positive and significant effect on investment decision variables, income variable partially positive and significant effect on investment decision variables Financial literacy variables and income variables simultaneously have a positive and significant effect on investment decisions. significant to the investment decision variables of Technical College Staff and Lecturers in Bekasi.

ADVANCED RESEARCH

Research still has limitations so further research needs to be carried out regarding the topic "Determinandts of Investment decision on Lecture college in Bekasi" to perfect this research, as well as increase insight for readers.

REFERENCES

Adi, J. M., Zailani, A., & Wijiastuti, S. (2021). Analysis of Financial Literacy Level (Financial Knowledge, Financial Attitude and Financial Awareness) on Small Business Performance (Case Study in Sumberejo Village, Jatisrono District, Wonogiri Regency). Journal of Widya Ganecwara, 11(1)

Aryani, S., & Cintyawati, C. (2018). Factors Influencing Investment Decisions of Students with Different Educational Backgrounds: A Case Study in Bandung City. Journal of System and Industrial Engineering, 05(02).

Astuti, F. D. (2020). RI's Financial Literacy Increases, this is proof of the 201 vs 2020 condition. Okezone.https://economy.okezone.com/read/2020/12/03/11/2321240/literas-keunagan-ri-meningkat-ini-unjuk-condition- 2013-vs-2020

Dewi, I. M., & Purbawangsa, I. B. A. (2018). The Influence of Financial Literacy, Income and Working Period on Investment Decision Behavior). E-Journal of Economics and Business, Udayana University, 7, 1867–1894.

Herlindawati, D. (2015). The Effect of Self-Control, Gender, and Income on Personal Financial Management of Postgraduate Students at the State University of Surabaya. Journal of Educational Economics and Entrepreneurship, 3(1), 158–169. https://doi.org/10.26740/jepk.v3n2.p158-169

Irman, M. (2018). Analysis of Factors Affecting Financial Literacy Among Students of the University of Muhammadiyah Riau (Umri) Pekanbaru. Journal of Economics, Business and Accounting, 1(2), 121.

Kharchenko, O. (2011). Financial Literacy In Ukraine: Determinants And Implications For Saving Behavior. May.

Kholilah, N. Al, & Iramani, R. (2013). Study of Financial Management Behavior in Surabaya Society. Journal of Business and Banking, 3(1), 68–80. https://doi.org/10.14414/jbb.v3i1.255

Lumintang, F. M. (2013). Income Analysis of Rice Farmers in Teep Village, DistricEast Langowan. EMBA Journal, 1(3), 991–998.

Maldini, R. (2020). The Effect of Financial Literacy and Income on Investment Decisions (Case Study of Employees of PT. Pertamina (Persero) Mor I Medan). Journal of Chemical Information and Modeling.

Margaretha, F., & Pambudhi, R. A. (2015). Financial Literacy Level in Undergraduate Students of the Faculty of Economics. Journal of Management and Entrepreneurship, 17(1), 44–64. https://doi.org/10.9744/jmk.17.1.76

Mendari, A. S., & Kewal, S. S. (2013). Financial Literacy Level Among STIE MUSI Students. Journal of Economia, 9(2).

Nababan, D., & Sadalia, I. (2012). Analysis of Personal Financial Liteacy and

Financial Behavior of Undergraduate Students of the Faculty of Economics, University of North Sumatra. Media Information Management, 1, 1–16.

Nazir. (2010). Analysis of the Income Determinants of Street Vendors in North Aceh Regency. Thesis.

OJK.(n.d.). Financial Literacy. https://www.ojk.go.id/id/kanal/edukasi-danprotect-konsumen/Pages/Literasi-Keuangan.aspx

Putri, & Rahyuda, H. (2017). The Effect of Financial Literacy Level and Sociodemographic Factors on Individual Investment Decision Behavior. E-Journal of Economics and Business Udayana University, 9, 3407. https://doi.org/10.24843/eeb.2017.v06.i09.p09

Putri, W. W., & Hamidi, M. (2019). Effect of Financial Literacy, Financial Efficacy, and Demographic Factors on Investment Decision Making (Case Study on Master of Management Students, Faculty of Economics, Andalas University, Padang). Scientific Journal of Management Economics Students, 4(1), 398–412. http://www.jim.unsyiah.ac.id/EKM/article/view/10703

Reviandani, W. (2019). The Effect of Financial Experience and Income Level on Family Financial Behavior in Yosowilangun Village, Manyar Gresik District. Managerial, 6(01), 48. https://doi.org/10.30587/manajerial.v6i01.862