

Determinant Factors of Investment Interest Among Students

Wida Purwidiyanti¹, Apri Tari Yani², Akhmad Darmawan³, Alfato Yusnar Kharismasyah⁴

{ widapurwidiyanti@ump.ac.id¹, tariyani.apri@gmail.com², akhmaddarmawan@ump.ac.id³,
chipatoyusnar@gmail.com⁴ }

Faculty of Economics and Business, Universitas Muhammadiyah Purwokerto^{1, 2, 3, 4}

Abstract. The purpose of this study was to determine the effect of investment, investment benefits, investment motivation, minimum investment capital, and investment returns on the investment interest of students in Purwokerto. This type of research is quantitative research. The sampling technique used purposive sampling technique and primary data was obtained in this study using a questionnaire totaling 130 respondents. Data analysis techniques used in the study were descriptive statistics, instrument tests, classical assumption tests, multiple linear regression analysis, determination coefficient tests, F tests, and hypothesis tests (t). Based on the results of data analysis, it show that the variables of investment knowledge and investment benefits partially do not have a positive and significant effect on investment interest. While the variables of investment motivation, minimum investment capital, and investment returns partially have a positive and significant effect on investment interest.

Keywords: Investment Knowledge, Investment Benefits, Investment Motivation, Minimum Investment Capital, Investment Returns, Investment Interest

1 Introduction

Investment is one way to better the well-being or its citizens in the development of the Indonesian economy. Investment has been widely in demand and practiced among the community and students. However, there are still many people and students who are not interested in trading since they believe it to be something that is challenging and somewhat expensive. With this assumption, many people are reluctant to invest. Some people who have started investing also fail or do not understand investment. This happens because of a lack of basic knowledge about investment [1].

Investment interest is a condition where someone has an interest in investment. Aspects that affect someone's goal to make investments in the stock market can come from within the person or from outside the person. In this case, factors that can influence investment interest, for example, because the person has learned about what investment is so that the individual knows

the basic knowledge of investment or because of external factors such as knowing friends who are involved in the world of trading so that the individual's desire in investment is getting greater.

Having a basic understanding of investments is crucial in a prospective investor staying aware. Research on investment knowledge on investment interest that has been studied previously shows different results. Research conducted by [1]–[5] shows that interest in investing is positively and significantly impacted by investment expertise. Research conducted by [6], [7] asserts that investing interest is influenced by investment knowledge. This is different from the results of [8], [9] which states the curiosity in investing is unaffected by investment understanding.

The benefits of investment are an important factor for a novice investor to know before starting to invest. Research on investment benefits on investment interest from research conducted by [8], [10], [11] states that investment benefits significantly and favorably impact investment interest. This is different from the research results from [3] which show no effect of investment benefits on investment interest.

Motivation is a drive from within oneself or from other people to do something. Research on investment motivation on investment interest has been studied by several researchers. Research conducted by [2], [11], [12], [1] also stated that investment interest is positively and significantly impacted by motivation. In study conducted by [4], [6], [7], [9] stated that investment motivation has an effect on investment interest. However, research conducted by [5] stated that motivation has a positive and insignificant effect on investment interest. At present, [8] stated that investment motivation has an insignificant effect on interest in investments.

The obstacle experienced by a student to invest in the capital market is funds or initial capital. This minimum investment capital factor is a consideration for students to start investing in the capital market. Research on minimum investment capital has been studied by several previous researchers, namely [12] showing that minimum investment capital has a favorable and noteworthy impact on investment interest. Study conducted by [13] states that minimum investment capital has a partial effect on investment interest. Meanwhile, research conducted by [4], [8], [9], [11], [14] indicates that the results of minimum investment capital do not affect investment interest.

The public and students generally like investments that have high returns. With profitable returns, it will be able to arouse an investor's interest in starting to invest. Studies on the interest yields on investments have been studied by several previous researchers and shows different results. [8], [12], [14] stated that investment returns have a positive and significant impact on interest in investments. Currently, studies carried out by [7], [13] stated that investment returns have no effect on investment interest.

The study's findings above demonstrate the existence of is an inconsistency in the impact among the variables studied. Therefore, the study will re-test the effect of the five variables on investment interest using a different approach and indicators from previous study.

2 Literatur Review

2.1 Theory of Reasoned Action and Theory of Planned Behavior

The theory of Reasoned Action from [15] is that Willpower, intention, and interest all affect human behavior. Interest is the desire to engage in a particular behavior before its execution. The final execution of an action depends on whether there is a desire or intention to carry it out. Reasoned action theory links behavior, volition, attitudes, and beliefs. The easiest way to forecast action is to look at will, in other words, someone should know someone's will if they want to know what they will do. Examining something that is deemed significant is the most crucial idea in this approach.

According to the idea of planned behavior, behavioral intentions are impacted by perceived behavioral control in addition to attitudes toward conduct and subjective norms. Perception of the conduct, which includes the extent to which an individual has an advantage or disadvantage evaluation or assessment of the aforementioned behavior. Social influence or subjective norms are social pressures that influence a person to perform an activity or not. Apparent power over behavior is the ease and difficulty of perception to perform behavior that reflects past experiences, obstacles, and anticipation of these obstacles. The relationship contrasts the planned behavior theory and the idea of reasoned action in this study that to do anything, of course, requires intention and interest at the beginning. Likewise, the desire to start investing, we need the intention and interest to invest the funds we have in the capital market. If we already have the interest and confidence to invest, then we will be able to make the investment.

2.2 The Influence of Investment Knowledge on Investment Interest

Theory of Reasoned Action explains that if someone does something based on interest and belief because the activity is considered important and has benefits. Someone who has knowledge about investment usually have a stake in trading. The investment information that an individual possesses will be very useful to help manage the investments they have. The greater a people's knowledge about investment, the higher the person's desire to invest. Previous research conducted by [1]–[5] stated that Interest in investing is positively and significantly impacted by investment expertise.

H1: Investment knowledge has a positive and significant effect on investment interest.

2.3 The Influence of Investment Benefits on Investment Interest

Theory that supports the connection among investment benefits and investment interest is the theory of reasoned action, where it can be concluded that someone does something based on interest because the activity being carried out is considered important and can provide benefits. A person who is interested in investing will consider it important because investment can provide benefits for both an investor and an investment recipient. Previous research by [8], [10], [11] stated that investment benefits have a favorable and noteworthy impact on investment interest.

H2: Investment benefits have a positive and significant effect on investment interest

2.4 The Influence of Investment Motivation on Investment Interest

The need for people to act in particular ways in an attempt to meet their requirements is known as motivation. Motivation is the process of providing encouragement from oneself or others to achieve their goals. Research by [2], [11], [12],[1] asserts that investment interest is significantly and favorably impacted by investment motivation.

H3: Investment motivation has a positive and significant effect on investment interest

2.5 The Influence of Minimum Investment Capital on Investment Interest

Investing capital in an investment is expected to provide benefits for years to come. [12] stated that minimum investment capital has a positive and significant influence on investment interest. In line with [13] which states that the least investment capital has an effect on investment interest.

H4: Minimum investment capital has a positive and significant effect on investment interest.

2.6 The Influence of Investment Returns on Investment Interests

Returns are goals that are always desired by investors. One of the factors that influences investors to invest is returns. Previous research conducted by [8], [12], [14] stated that investment returns have a favorable and noteworthy impact on investment interest.

H5: Investment return have a positive and significant effect on investment interest

3 Research Method

The population that is the object of this research is undergraduate students of the Faculty of Economics and Business at three major universities in Purwokerto. The population is 6,493 students. The smallest sample size required by the Slovin technique is 99 people. This study increased the sample to 130 people to anticipate if there are respondents' answers that cannot be used.

Purposive sampling was the method employed in this investigation, and it met the following requirements: Undergraduate students of the Faculty of Economics and Business (FEB) at three universities in Purwokerto, class of 2018-2020, Students who have or are taking the Financial Management course.

All the study's variables were assessed using a five-point Likert scale. The investment knowledge variable was measured using indicators that had been developed by [8], namely the importance of basic investment knowledge, capital market schools, related courses, and a basic understanding of investment. The investment benefit variable was measured using indicators developed by [8], namely increasing welfare, economic development instruments, future benefits, and fixed income.

The investment motivation variable was measured using indicators developed by [8], namely company ownership, helping company development, the effect of the family environment, and

needs to be met. The minimum investment capital variable is measured using indicators developed by [8], specifically IDR 100,000 in capital, a reasonable investment, one lot of 100 shares, and the flexibility to add or decrease shares.

The investment return variable is measured using indicators developed by [8], namely attractive profits, Risk and Return, profit considerations, Dividends, and Capital Gains. The investment interest variable is measured using indicators developed by [8], namely Investment information, promising returns, and attractive investments.

The analysis of multiple regression was used in the study. Descriptive statistical tests, validity and reliability tests, model fit tests, tests of classical assumptions, and hypothesis testing are among the tests. Hypotheses 1 through 5 will be accepted if the regression coefficient value is positive and the significance level is less than 0.05.

4 Result and Discussion

4.1 Result

This study uses Google Forms to collect data from respondents. Table 1 below shows the number of samples used.

Table 1 Number of Sample

Information	Number of samples	(%)
Number of questionnaires completed	148	100%
Number of samples that did not meet the criteria	(18)	12,16%
Number of questionnaires that could be analyzed	130	87,84%
Number of samples that were outliers with casewise diagnostics because the data were not normally distributed	(7)	4,73%
Number of samples after casewise diagnostics	123	83,11%

Respondents based on male gender were 30 people (23.1%), females were 100 respondents (76.9%). Respondents based on age 18-20 years were 48 respondents (36.92%) and age 21-23 years were 82 respondents (63.08%).

All question items used have met the validity and reliability tests. The results of the normality test, after the data was casewise, showed a significant asymp value of 0.193 so that the error was normally distributed. The results of the multicollinearity test for each variable showed a Tolerance value > 0.10. Heteroscedasticity testing using the Glejse test showed that all independent variables had no effect on the absolute residual variable.

The regression model created for this study's adjusted R square value is 65.5%. The F test in this study is 47.270 with a significance value of 0.000. This can be interpreted that there is a good match between the regression model formed. Table 2 below displays the results of the multiple regression analysis test.

Table 2. Multiple regression test results

Variable	Unstandardized Coefficients		t-test	Significance
	B	Standard Error		
Constant	-1,699	1,449	-1,173	0,243
Investment knowledge	0,164	0,101	1,630	0,106
Investment benefits	0,114	0,091	1,252	0,213
Investment motivation	0,129	0,075	1,708	0,090*
Minimum investment capital	0,314	0,080	3,911	0,000**
Investment return	0,343	0,095	3,619	0,000**

Dependent Variable: Investment Interest

Table 2 above shows that there are three variables that have an influence on investment interest, namely the variables investment motivation, minimum investment capital, and investment return. These two variables have a significance value below 0.05 and one variable has a significance value below 0,1. Three variables (investment knowledge and investment benefit) show insignificant evidence results.

4.1.1 The Influence of Investment Knowledge on Investment Interest

The results of the study showed that the variable of investment knowledge did not have a positive and significant effect on investment interest in students in Purwokerto. The theory of reasoned action [15] explains that if someone does something based on interest and belief because the activity is considered important and has benefits or results in this case if someone learns about investment knowledge will tend to be interested in making investments. However, the investment knowledge obtained by students through Financial Management courses or capital market schools that provide students with knowledge about investment has not been able to strongly influence or become a consideration for students in making investments in the capital market. The material obtained in lectures is still considered lacking in finding out more details about investing in the capital market because the material provided is still limited to the basics of investment. In other words, students are only given basic knowledge about the theory and this is considered not strong enough to influence students' interest in investing, it must be accompanied by direct investment practices to be even better.

The findings of this investigation are corroborated by research carried out by [8], [9] which stated that investment knowledge does not have a favorable and noteworthy impact on investment interest.

4.1.2 The Effect of Investment Benefits on Investment Interest

The study's findings show that the factor of investment benefit does not have a significant positive effect on investment interest. This means that the second hypothesis is not supported because the summary of the test shows results that are contrary to the hypothesis. This means

that students do not know for sure and do not consider the benefits of investing to help improve welfare, economic development, and benefits for the future too important. Meanwhile, in the theory of reasoned action, it is explained that someone does something based on interest because the activity is considered important and can provide benefits. This proves that the better the benefits offered in investment, it does not necessarily strongly influence the involvement of students in the stock market expenditure.

The findings of this investigation are corroborated by research carried out by [3] which states that investment benefits do not affect investment interest.

4.1.3 The Influence of Investment Motivation on Investment Interest

The results of the study show that investment motivation has a positive and significant effect on investment interest. This means that investment motivation has a significant effect on students' investment interest in the capital market. A common interpretation of motivation is an encouragement for someone to achieve a certain goal. The FEB at the Three Purwokerto Universities has a Financial Management course that teaches the basics of investment, sometimes the University also holds a capital market school that teaches how to start investing in the capital market. Supporting facilities such as the Investment Gallery have also been provided by the Faculty as a medium for learning and direct investment practice in the capital market world. Motivational seminars and seminars on the capital market are also often held by the faculty. So that it can increase students' motivation to invest in the capital market. In McClelland's theory of learned needs, there are three basic needs that can motivate an individual to behave, including the need for success, the need for affiliation (establishing relationships) and the need for power. This motivation can be built through oneself, when students attend seminars on investment and capital markets provided by the Faculty, students are expected to be motivated to become successful people and be able to own many shares through investment.

The findings of this investigation are corroborated by research carried out by [1], [2], [7], [11], [14], [16] which states that investment motivation has a favorable and noteworthy impact on investment interest.

4.1.4 The Effect of Minimum Investment Capital on Investment Interest

The study's findings indicate that the variable of minimum investment capital has a favorable and noteworthy impact on investment interest. This means that if the capital needed to invest is higher, then the student's interest in investing will be lower, conversely, if the capital in investing is lower, then the student's interest in investing in the capital market will be higher.

The study's findings accordance with the theory of planned behavior where an individual's attitude will influence a person's interest in their ability to make decisions that they want to make in other words a person's attitude may affect how someone behaves and makes choices. In this case, minimum capital is a consideration for someone to make an investment. Nowadays, investment does not require high costs, by meeting the minimum capital set we can already make an investment. An individual's attitude in meeting or paying the minimum investment capital set and feeling that the minimum capital is quite cheap can influence individuals in investing so that the individual is interested in making an investment. This shows that students tend to be interested in investing if the minimum capital to invest is getting smaller.

The findings of this investigation are corroborated by research carried out by [13], [14] which stated that minimum investment capital has a favorable and noteworthy impact on investment interest.

4.1.5 The Effect of Investment Return on Investment Interest

The study's findings demonstrate that investment interest is significantly and favorably impacted by the investment return variable. This indicates that the study's findings, which demonstrate that investment return significantly and favorably influences investment interest, support the fifth hypothesis. This indicates that students will be more interested in investing if they receive a larger return on their investment.

This study accordance with theory of reasoned action [15] where when someone makes an investment based on interest and trust because they believe that this investment activity if carried out is an important activity and can provide advantages in shape of investment returns to an investor. Investment return is the goal desired by an investor, this shows that investment return is among the elements that may affect someone's desire to invest in capital market.

The findings of this investigation are supported study by [8], [12], [14] that claims it investment return has a favorable and noteworthy impact on investment interest.

5 Conclusion

This study has the impact of investment motivation variables, minimum investment capital and investment return have an impact that can increase interest in investing. The other two variables, namely investment knowledge and investment benefits, do not affect investment interest.

This study has limitations that can be improved in the next mini. The weakness is mainly in the use of google forms which can make the prejudice of respondents' answers. Then, future study more focused on conducting direct observations.

References

- [1] A. Mastura, S. Nuringwahyu, and D. Zunaida, "Pengaruh Motivasi Investasi, Pengetahuan Investasi Dan Teknologi Informasi Terhadap Minat Berinvestasi Di Pasar Modal," *JIAGAB*, vol. 9, no. 1, pp. 64–75, 2020.
- [2] Hikmah and T. A. Rustam, "Pengetahuan investasi, motivasi investasi, literasi keuangan dan persepsi resiko pengaruhnya terhadap minat investasi pada pasar modal," *SULTANIST J. Manaj. dan Keuang.*, vol. 8, no. November, pp. 131–140, 2020.
- [3] A. Ulil, A. Al, and S. Zuhri, "Pengaruh Manfaat , Pengetahuan Dan Edukasi Terhadap Minat Mahasiswa Dalam Berinvestasi Di Pasar Modal Syariah (Study Kasus Pada Mahasiswa IAIN Salatiga)," *Li Falah J. Stud. Ekon. dan Bisnis Islam*, vol. 4, no. 1, pp. 129–138, 2019.
- [4] S. A. Mahdi, G. Jendry, and F. A. Wahid, "Pengetahuan, Modal Minimal, Motivasi dan Minat Mahasiswa Untuk Berinvestasi di Pasar Modal," *J. Ekon. Akunt. dan Manaj.*

Multiparadigma, vol. 1, no. April, pp. 44–55, 2020.

- [5] S. Khumaini and A. J. Nadiya, “Pengaruh Motivasi Dan Pengetahuan Terhadap Minat Berinvestasi Saham Di Pasar Modal Syariah,” *Al Maal J. Islam. Econ. Bank.*, vol. 3, no. 1, 2021.
- [6] Suprihati and S. L. Pradanawati, “The Influence Of Knowledge, Investment Motivation And Investment Understanding On Student Interest To Invest In The Capital Market,” *Int. J. Econ. Bus. Account. Res.*, vol. 2020, no. 4, pp. 1030–1038, 2020.
- [7] K. Marlin, “Pengaruh Pengetahuan Investasi, Persepsi Return, dan Motivasi Investasi Terhadap Minat Investasi Pada Galeri Investasi Syariah Bursa Efek Indonesia Iain Batusangkar,” *Syntax Lit. J. Ilm. Indones.*, vol. 5, no. 6, pp. 120–128, 2020.
- [8] Burhanudin, S. A. Hidayati, and S. B. M. Putra, “Pengaruh Pengetahuan Investasi, Manfaat Investasi, Motivasi Investasi, Modal Minimal Investasi Dan Return Investasi Terhadap Minat Investasi Di Pasar Modal (Studi pada Mahasiswa Fakultas Ekonomi dan Bisnis Universitas Mataram),” *J. Distrib.*, vol. 9, no. 1, 2021.
- [9] R. Amrul and S. Wardah, “Pengaruh Modal Minimal , Pengetahuan Investasi , dan Motivasi Terhadap Minat Berinvestasi Mahasiswa di Pasar Modal,” *J. Bisnis, Manajemen, dan Akuntans*, vol. VII, no. 1, pp. 55–68, 2020.
- [10] U. Kalsum and Y. Oktavia, “Pengaruh Keputusan Investasi, Keputusan Pendanaan, Kebijakan Dividen dan Profitabilitas Terhadap Nilai Perusahaan di BEI,” *J. Ilmu Manaj.*, vol. 11, no. 1, p. 39, 2021, doi: 10.32502/jimn.v11i1.3137.
- [11] D. Saputra, “Pengaruh Manfaat , Modal , Motivasi dan Edukasi Terhadap Minat Dalam Berinvestasi di Pasar Modal,” *Futur. J. Manaj. dan Akunt. Vol.*, vol. 5, no. 2, pp. 178–190, 2018.
- [12] D. Wardani and E. Komara, “Faktor Pengaruhi Minat Mahasiswa dalam Berinvestasi di Pasar Modal,” *J. Ekon. Manaj. dan Perbank.*, vol. 4, no. 3, 2018.
- [13] M. Yusuf, Yahya, and A. Hamid, “Pengaruh Modal Minimal Investasi Dan Return Terhadap Minat Investasi Masyarakat Kota Palembang Di Pasar Modal,” *J. Neraca*, vol. 5, no. 1, pp. 83–90, 2021, doi: 10.31851/neraca.v5i1.5889.
- [14] S. B. Utami, S. W. B. Katti, and Y. E. Prasetyo, “Melihat Faktor-Faktor Yang Mempengaruhi Minat Mahasiswa Dalam Berinvestasi Di Pasar Modal Untuk Pengembangan Galeri Investasi (Studi di Universitas Merdeka Madiun),” *J. Ilmu-Ilmu Akunt.*, no. September 2020, 2023, doi: 10.33319/jamer.v1i2.
- [15] Ajzen, Icek. "The Theory of Planned Behaviour". *Organizational Behaviour and Human Decision Process*. 50, 179-211, 1991. Academic Press, Inc. University of Massachusetts at Amherst.
- [16] R. Yuliati, M. Amin, and S. A. Anwar, “Pengaruh Motivasi Investasi, Modal Minimal Investasi, Pengetahuan Investasi, Dan Return Investasi Terhadap Minat Investasi Di Pasar Modal,” *E-JRA*, vol. 09, no. 03, pp. 32–48, 2020.