ISSN (e): 2250 – 3005 || Volume, 15 || Issue, 2|| February – 2025 ||
International Journal of Computational Engineering Research (IJCER)

The Influence of Financial Literacy, Income and Investment Knowledge on Investment Decisions with Risk Perception as a Moderating Variable on Lecturers and Employees in the Politeknik Negeri Ambon Area

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ABSTRACT
The purpose of this research is to find out and analyze financial literacy affects investment decisions, to find out and analyze income affects investment decisions, to find out and analyze investment knowledge affects investment decisions, to find out and analyze risk perception affects investment decisions, to know and analyze risk perception moderates the influence between financial literacy on investment decisions on lecturers and employees in the Ambon State Polytechnic environment, to know and analyze risk perception moderates the influence between income on investment decisions on lecturers and employees in the Ambon State Polytechnic environment, to know and analyze risk perception moderates the influence between investment knowledge on investment decisions on lecturers and employees in the Ambon State Polytechnic environment. This research method is quantitative descriptive research,
The sample of this study amounted to 47 respondents in lecturers and employees in the Ambon State Polytechnic environment. With ananalysis technique using a quantitative analysis approach that uses moderation regression analysis.
Keywords: *Financial Literacy, Income Investment Knowledge, Investment Decisions, and Risk Perception*

Date of Submission: 03-02-2025 Date of acceptance: 14-02-2025

I. INTRODUCTION

Indonesia is one of the countries where financially most of the population continues to make short-term investments or savings. In contrast to developed countries that make long-term investments. There is a public understanding of financial management so that people are able to set aside some of the income earned in investing activities. Education is needed for the wider community which is carried out continuously and consistently to provide changes in people's thinking patterns from the habit of saving to investing in the capital market (Hikmah, 2020). Investing without knowing the impact of losses and risks that can occur will have a negative impact on investors.

Based on the Financial Services Authority (OJK) report, the total public losses due to illegal investment in Indonesia reached Rp120.79 trillion in 2022. The loss reached a record high in the last decade. The amount of investment losses in 2022 even jumped up to 4,655.51% compared to the previous year's period (year-on-year) of Rp2.54 trillion. In total, the illegal investment losses reached IDR152.99 trillion from 2012 to 2022. The value of these losses has fluctuated in the last decade. It was recorded that public losses due to illegal investment were highest in 2022, while the lowest in 2014.

Financial Literacy plays an important role in the investment decision-making process. When a person makes a decision to invest, the individual is expected to have good financial literacy. A person's income can influence their investment decisions. Individuals with higher incomes may have more funds available to invest, so they have more investment options. However, a high income does not necessarily mean a high level of financial literacy or better investment decisions. Sometimes, people with lower incomes can have good investment knowledge and make smart investment decisions (Adil et al., 2021).

Risk perception can moderate the relationship between the above factors and investment decisions. For example, someone with good investment knowledge and high income may have a high interest in investing, but if they have low risk perception, they may be more likely to take higher risks in their investments. Conversely, someone with low income and limited investment knowledge may be more cautious in taking investment risks if they have high risk perception. Forlani and Mullins (2000).

II. THEORY

According to the OECD through the International Network of Financial Education (INFE), Financial Literacy is "the combination of awareness, knowledge, skills, attitudes, and behaviors needed to make sound financial decisions and ultimately achieve individual financial well-being" Atkinson, A., & Messy, F.-A. (2012). Based on this definition, the concept of financial literacy is not only limited to the level of knowledge, but also considers other individual characteristics such as behavior, attitudes, and skills.

According to Wibowo, et al (2019) investment knowledge is information on how to use part of the funds or resources owned to get future profits. This information can be obtained from learning received from various existing literature, and has been absorbed by human memory.

According to Mandagie et al. (2020) investment decisions are decisions made by investors to allocate a certain amount of funds into an investment instrument. This is part of the steps that have been chosen by an investor in carrying out investment activities. This decision is taken based on various considerations that arise based on the experiences that investors have.

Based on their attitude in facing risk, according to Adnyana (2020) in Baguna et al (2024) can be classified into three groups, namely: risk seekers, risk aversion, and indifference to risk. Wulandari and Iramani (2014) define risk perception as a process when individuals interpret information about the risks they get. The assessment of risks in investing will be different for each investor. It is based on psychological factors from each individual.

Decision theory is a theory about decisions or decision making by both individuals and groups and is used in all fields. (Hansson, 2005) During decision making, there are three conditions or situations faced by decision makers, namely uncertainty, risk and certainty conditions. Uncertainty refers to a condition in which there is more than one possible outcome of a decision and the probability of each possible outcome is unknown, risk refers to a condition in which there is more than one possible outcome of a decision and the probability of the outcome can be estimated by the decision maker, while certainty refers to one exact outcome of a decision (Hansson, 2005).

III. METHODOLOGY

This research method is quantitative descriptive research, with the research objects studied in this study being active lecturers and employees working at the Ambon State Polytechnic. The analysis technique uses a quantitative analysis approach that uses moderation regression analysis. Where moderation regression is a statistical method used to test whether the relationship between the independent and dependent variables is influenced by moderating variables that affect the strength and direction of the relationship. Previously, the primary data was tabulated and validity and reliability tests were carried out first

IV. RESULT

The results obtained are that financial literacy significantly has a positive effect on investment decisions on lecturers and employees in the Ambon State Polytechnic environment. Income has no effect on investment decisions on lecturers and employees in the Ambon State Polytechnic environment. Significantly investment knowledge has a positive effect on investment decisions on lecturers and employees in the Ambon State Polytechnic environment. Significantly risk perception has a positive effect on investment decisions on lecturers and employees in the Ambon State Polytechnic environment. Risk perception does not moderate the influence between financial literacy on investment decisions on lecturers and employees in the Ambon State Polytechnic environment. Risk perception does not moderate the influence between income on investment decisions on lecturers and employees in the Ambon State Polytechnic environment. Risk perception moderates the influence between investment knowledge on investment decisions on lecturers and employees in the Ambon State Polytechnic environment.

V. CONCLUSION

Based on the results and discussion presented in the previous chapter, it can be concluded that:

1) Suggestions that can be given based on the conclusions obtained are for employees and the public to realize the importance of financial literacy in fund management. Therefore, all funds should not be used but have thought of investment to maintain the possibility in the future.

2) For further researchers, it is recommended to increase the number of respondents and expand the respondents so that the data obtained becomes more accurate and the research can be more widespread other than in universities..

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