

# MULTIFINANCE

## Jurnal Ekonomi, Manajemen Dan Perbankan

Altin Riset Publishing

<http://altinriset.com/journal/index.php/multifinance>

E-ISSN: 3024-8175

Vol.3, No. 2, November 2025

---

### INVESTMENT DECISIONS OF YOUNG INDONESIAN INVESTORS: THE INFLUENCE OF FINANCIAL LITERACY, OVERCONFIDENCE, AND RISK TOLERANCE

<sup>\*1</sup>Erna Garnia, <sup>2</sup>Ajeng Aprilia, <sup>3</sup>Siti Riyyan Lisaumi

<sup>\*1,2</sup>Universitas Sangga Buana YPKP Bandung

Email: <sup>\*1</sup>erna.garnia@usbykp.ac.id, <sup>2</sup>ajengaprilialia3226@gmail.com,  
<sup>3</sup>sitiriyyan@gmail.com

#### Abstract

Economic growth in a country can originate from investment activities. Every year, the number of investors in the capital market continues to increase, and these investors are predominantly young investors. Investment activities are inseparable from the investment decision-making process itself. However, in determining investment decisions, investors are influenced by both rational and irrational factors. This study aims to analyze and describe the influence of financial literacy, overconfidence, and risk tolerance on investment decisions among young investors in investment galleries throughout the Greater Bandung area. This research employs descriptive and verificative approaches using primary data and a quantitative methodology. The sampling method utilized is purposive sampling. Data testing and analysis include validity tests, reliability tests, classical assumption tests, multiple linear regression analysis, correlation coefficient analysis, coefficient of determination analysis, and hypothesis testing. The research findings demonstrate that financial literacy, overconfidence, and risk tolerance have a significant positive influence both simultaneously and partially on investment decisions among young investors in investment galleries throughout Greater Bandung. These results indicate that enhancing financial literacy, managing overconfidence behavior, and understanding individual risk tolerance profiles are crucial factors in improving the quality of investment decision-making among young investors in Indonesia's emerging capital market.

**Keywords:** Financial Literacy, Overconfidence, Risk Tolerance, Investment Decisions

#### Abstrak

*Pertumbuhan ekonomi suatu negara dapat berasal dari aktivitas investasi. Setiap tahun, jumlah investor di pasar modal terus meningkat, dan investor-investor ini sebagian besar merupakan investor muda. Aktivitas investasi tidak dapat dipisahkan dari proses pengambilan keputusan investasi itu sendiri. Namun, dalam menentukan keputusan investasi, investor dipengaruhi oleh faktor-faktor rasional dan irasional. Penelitian ini bertujuan untuk menganalisis dan mendeskripsikan pengaruh literasi keuangan, overconfidence, dan toleransi risiko terhadap keputusan investasi di kalangan investor muda di galeri investasi di seluruh wilayah Bandung Raya. Penelitian ini menggunakan pendekatan deskriptif dan verifikatif dengan data primer dan metodologi kuantitatif. Metode sampling yang digunakan adalah purposive sampling. Pengujian dan analisis data meliputi uji validitas, uji reliabilitas, uji asumsi klasik, analisis regresi linier berganda, analisis koefisien korelasi, analisis koefisien determinasi, dan pengujian hipotesis. Hasil penelitian*

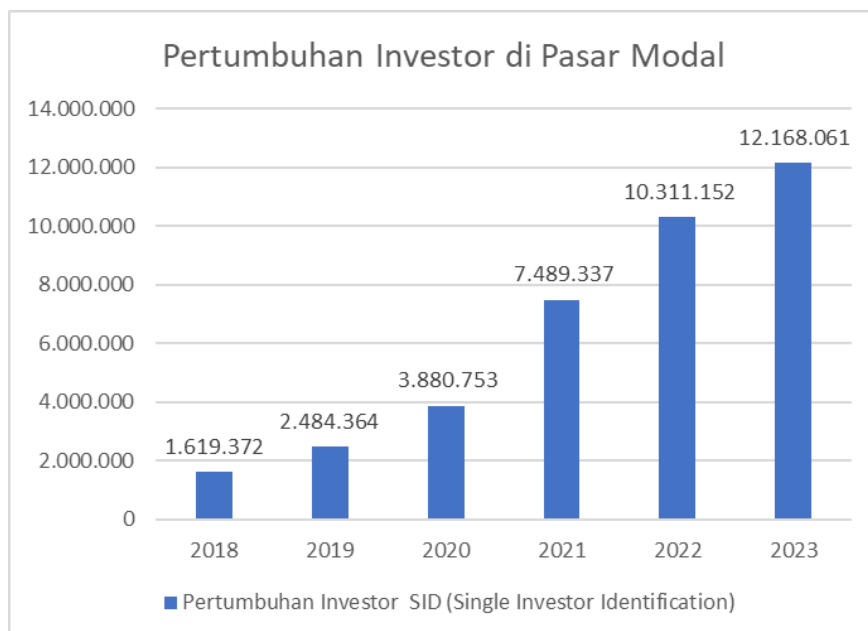
menunjukkan bahwa literasi keuangan, *overconfidence*, dan toleransi risiko memiliki pengaruh positif yang signifikan baik secara simultan maupun parsial terhadap keputusan investasi di kalangan investor muda di galeri investasi di seluruh wilayah Bandung Raya. Hasil ini menunjukkan bahwa meningkatkan literasi keuangan, mengelola perilaku *overconfidence*, dan memahami profil toleransi risiko individu merupakan faktor krusial dalam meningkatkan kualitas pengambilan keputusan investasi di kalangan investor muda di pasar modal Indonesia yang sedang berkembang.

**Kata Kunci:** Literasi Keuangan, *Overconfidence*, Toleransi Risiko, Keputusan Investasi

### Introduction

Economic growth signifies the development of economic activities toward a better direction. This leads to an increase in the production of goods and services in society, thereby improving community welfare. Economic growth can originate from capital enhancement occurring through investment activities (Mardikaningsih & Darmawan, 2023). Investment is conducted with the aim of obtaining more money or greater profits in the future. The reasons individuals invest include realizing a better tomorrow, reducing the impact of inflation, and minimizing tax burdens (Tandelilin, 2010). These investment activities are facilitated by the capital market. According to the data report from the Indonesian Central Securities Depository (KSEI, 2023) the increase in individual investors or Single Investor Identification in December 2023 reached 12,168,061 investors.

**Figure 1:** Growth of SID Investors in the Capital Market



**Source:** KSEI (2023), Processed Data.

The Figure 1 illustrates investor growth from 2018 to 2023 in the capital market. The SID registered at KSEI depicts the growth of individual investors engaging in investment activities from year to year. At the end of 2018, the number stood at 1,619,372 investors, whereas by 2023, this figure had increased to 12,168,061 investors. This demonstrates that the number of SIDs has experienced a growth of 651.406% or an addition of 10,548,689 investors from 2018 to 2023. An investor's success in investing is highly dependent on their investment decision-making. Investment decisions represent choices made after considering two or more options, with the ambition of obtaining profits in the future (Budiarto, 2017). Investment decisions are also a continuous process that persists until the desired goals and returns are achieved.

The success of an investor in making investment decisions greatly depends on how accurately an investor makes their investment decisions (Ivenny Cecilia, 2022). Investment decision-making is influenced by rational and irrational behavior (Carolina & Wiyanto, 2023). The theory of planned behavior, which describes rational behavior, reveals that a person makes deliberate decisions about what to do and act after considering the benefits of their choices (Ajzen, 1991). Meanwhile, in Behavior Finance theory, research examines how psychological phenomena can influence financial behavior in terms of irrational behavior (Lajeunesse et al., 2021; Shefrin Hersh, 2000). These investment decisions can be influenced by psychological aspects within an investor, which play an important role when making investment decisions (Rizkyatul Nadhifah, 2021). According to prospect theory, individuals tend to be inconsistent and contradictory when making decisions, which may not always be rational or logical (Holly et al., 2022; Willyanto et al., 2021). However, investing is not without risk, which can lead to investor failure. Based on information on the website (Kontan.Id, n.d.), it is stated that around 90% of Indonesian investors experience failure in investing. This is certainly influenced by irrational behavior where the information received by investors is not always processed effectively, which allows decisions to be taken to deviate and cause losses (Jain, 2020) . The preliminary review of investor decisions at the Investment Gallery in Greater Bandung is shown in Table 1:

**Table 1:** Preliminary Review of Investment Decision Research

NO.	QUESTION	RESPONDENT			TOTAL	
		Yes		No		
		%	F	%		
1.	Do you know how to reduce the risk of portfolio investment desertification?	30%	21	70%	100%	
2.	Do you invest using your savings?	14	47%	16	53%	100%

3.	Do you know the types of insurance before investing?	10	33%	20	67%	100%
4	Did you know that investing in bonds carries a lower risk than mutual funds?	12	40%	18	60%	100%
<b>AVERAGE</b>		37%		63%		
<b>NUMBER OF RESPONDENTS = 30</b>						

**Source:** processed primary data, 2024

Table 1 above shows the average responses of respondents, with 59% of investors answering "No" to the question about investment decision-making. This indicates that, on average, investors do not make decisions rationally but are influenced by irrational behavior, and investors are still dissatisfied with the results of the decisions they make. One factor that can influence investment decisions is financial literacy (Cania Ferennita, Hasan, 2022). One important element in investment decision-making is financial literacy (Hikmah, Mauli Siagian, 2020). Financial literacy cannot be separated from planned financial activities, such as investment. According to the results of the National Survey on Financial Literacy and Inclusion (SNLK) conducted by (Advent Graceman Mendrofa et al., 2024), the financial literacy of the Indonesian people is 49.68%. This indicates a lack of understanding among the public regarding formal financial products and services, despite the importance of financial literacy for empowerment, public welfare, consumer protection, and increased financial inclusion. Table 2 provides an initial overview of research on investor financial literacy.

**Table 1:** Preliminary Review of Financial Literacy Research

NO.	QUESTION	RESPONDENT				TOTAL
		Yes		No		
		F	%	F	%	
1.	Do you know how to reduce the risk of portfolio investment desertification?	9	30%	21	70%	100%
2.	Do you invest using your savings?	14	47%	16	53%	100%
3.	Do you know the types of insurance before investing?	10	33%	20	67%	100%
4	Did you know that investing in bonds carries less risk than mutual funds?	12	40%	18	60%	100%

<b>AVERAGE</b>	37%	63%
<b>NUMBER OF RESPONDENTS = 30</b>		

**Source:** processed primary data, 2024

Based on the results of Table 2 from the four questions asked about financial literacy as a rational factor in investment decision-making, an average of 63% of investors answered "No." This shows that the level of understanding of financial literacy among investors is still categorized as low. Irrational behavior among investors can cause them to make mistakes in their predictions and incorrect decisions.

Psychological biases in behavioral finance theory that impact investors' investment decisions include overconfidence (Agustin, 2014). Overconfidence is a condition where someone has excessive confidence in their abilities or knowledge in investing (Budiarto, 2017). Indonesian investors' overconfidence is the highest compared to other investors in Asian countries (Wijayanti et al., 2024).

Table 3 is a preliminary review of overconfidence research:

**Table 2:** Preliminary Review of Overconfidence Research

NO.	QUESTION	RESPONDENT				TOTAL
		Yes		No		
		F	%	F	%	
1.	Are you very confident that you have chosen the right investment based on your analysis?	18	60%	12	40%	100%
2.	Are you confident that the investment risks you take are not as bad as those experienced by other investors because of your superior skills and knowledge?	17	57%	13	43%	100%
3.	Are you confident that the investment you have chosen will be successful and generate high returns in the future?	23	77%	7	23%	100%
<b>AVERAGE</b>		65%		35%		
<b>NUMBER OF RESPONDENT = 30</b>						

**Source:** processed primary data, 2024

Based on the Table 3, 65% of investors chose "Yes," indicating that there is irrational behavior among investors, where investors exhibit overconfidence in making investment decisions. Table 4 shows an initial review of the risk tolerance variable.

**Table 3: Preliminary Review of Risk Tolerance Research**

NO	QUESTION	RESPONDENT				TOTAL
		Yes		No		
		F	%	F	%	
1.	Are you comfortable with the risks involved in investing?	13	43%	17	57%	100%
2.	Do you like risk?	10	33%	20	67%	100%
3.	Would you choose the potential for high returns but also high risk?	11	37%	19	63%	100%
<b>AVERAGE</b>		37%		63%		
<b>NUMBER OF RESPONDENT = 30</b>						

**Source:** processed primary data, 2024

Table 4 shows that an average of 63% of investors answered "No," indicating that investors have a low level of risk tolerance. In reality, however, high risk is directly proportional to high returns.

### Research Method

This research uses a quantitative method with a descriptive and verificative approach. The descriptive approach is used to describe the characteristics of financial literacy, overconfidence, risk tolerance, and investment decisions based on respondent data. Meanwhile, the verificative approach is applied to test hypotheses and verify the causal relationship between independent variables and dependent variables through statistical testing. The population of this study was all active investors in investment galleries in Greater Bandung, totaling 4,383 investors spread across 18 investment galleries. Sampling was done using purposive sampling with the following criteria: active investors in the last six months, aged 18-35 years, and willing to be respondents. Based on the Slovin formula calculation with a 5% margin of error, a sample of 184 people was obtained, which was considered representative of the population.

This study used primary data collected through a structured questionnaire distributed to respondents via Google Forms. Variables were measured using a five-point Likert scale, namely: Strongly Disagree (score 1), Disagree (score 2), Neutral (score 3), Agree (score 4), and Strongly Agree (score 5). Each variable was measured through a series of statements tailored to indicators based on relevant theories, so that respondents' perceptions could be quantified into numerical data

for statistical analysis. The main analysis method used was multiple linear regression with equation model (1).

$$K = \alpha + \beta_1 LK + \beta_2 OC + \beta_3 TR + \varepsilon \quad (1)$$

Explanation:

K: Investment Decision

$\alpha$ : Constant

$\beta_1$ : Coefficient for LK regression

$\beta_2$ : Coefficient for OC regression

$\beta_3$ : Coefficient for TR regression

LK: Financial Literacy

Before regression analysis, the data was tested for validity using Pearson Product Moment correlation, reliability using Cronbach's Alpha ( $>0.60$ ), and classical assumptions including normality, multicollinearity, heteroscedasticity, and autocorrelation. Next, a correlation coefficient analysis was performed to measure the strength of the relationship between variables and a coefficient of determination ( $R^2$ ) analysis to measure the proportion of variance in the dependent variable that can be explained by the independent variables. Hypothesis testing was conducted using the F test to determine the simultaneous effect with the criteria of  $F_{count} > F_{table}$  or significance  $< 0.05$ , and the t test to determine the partial effect with the criteria of  $t_{count} > t_{table}$  or significance  $< 0.05$

### Results and Discussion

The data used in this study passed validity, reliability, and classical assumption tests. The validity test results showed that all statement items had a calculated r value  $>$  table r (0.121), indicating that all instruments were valid and suitable for use. The reliability test using Cronbach's Alpha showed that all variables had an  $\alpha$  value  $> 0.762$ , indicating good internal consistency of the instruments. Meanwhile, the results of the classical assumption test showed that the data met the requirements for regression analysis.

Multiple linear regression analysis was used to test the influence of financial literacy, overconfidence, and risk tolerance on the investment decisions of young investors. The regression analysis results are presented in Table 5.

**Table 5:** Multiple Linear Regression Test Results

#### COEFFICIENTS<sup>A</sup>

MODEL	Unstandardized Coefficients	Standardized Coefficients	t	Sig.	Collinearity Statistics

	B	Std. Error	Beta			Tolerance	VIF
(Constant)	2.942	0.991		2.968	0.003		
Financial Literacy	0.194	0.065	0.234	3.000	0.003	0.541	1.849
Overconfidence	0.193	0.063	0.231	3.055	0.003	0.572	1.748
Risk Tolerance	0.254	0.068	0.285	3.759	0.000	0.571	1.752

**A. DEPENDENT VARIABLE: KEPUTUSAN INVESTASI**

**Source:** processed primary data, 2024

Based on the results of the table above, the multiple linear regression equation is shown in equation (2):

$$K = \alpha + \beta_1 LK + \beta_2 OC + \beta_3 TR + \varepsilon \quad (2)$$

$$K = 2.942 + 0,194 LK + 0,193 OC + 0,254 TR$$

The constant of 2.942 indicates that the investment decision value will be 2.942 if the independent variables, namely financial literacy, overconfidence, and risk tolerance, are zero.

The regression coefficient for the financial literacy variable (X1) of 0.194 indicates that investment decisions will increase by 0.194 units if financial literacy increases by one unit, assuming that other variables, namely overconfidence and risk tolerance, remain constant (*ceteris paribus*). Meanwhile, the regression coefficient for the overconfidence variable (X2) of 0.193 indicates that investment decisions will increase by 0.193 units if overconfidence increases by one unit, with financial literacy and risk tolerance considered constant. The risk tolerance variable (X3) has a regression coefficient of 0.254, which means that investment decisions will increase by 0.254 units if risk tolerance increases by one unit, assuming that financial literacy and overconfidence remain unchanged.

Variables with positive regression coefficients in the multiple linear regression equation above show a direct relationship between the independent and dependent variables, based on the sign of the regression coefficient. A positive regression coefficient also indicates that an increase in the value of the independent variable will result in an increase in the value of the dependent variable.

Correlation coefficient analysis is used to determine the direction and strength of the relationship between variables in the study. The direction of the relationship is expressed as positive or negative, while the strength of the relationship is expressed based on the magnitude of the correlation coefficient. The guidelines for interpreting correlation coefficients refer to the

classification of 0.00-0.199 (very weak), 0.20-0.399 (weak), 0.40- 0.599 (moderate), 0.60-0.799 (strong), and 0.80-1.000 (very strong) (Sugiyono, 2019). The results of the correlation coefficient analysis in this study are presented in Table 6.

**Table 4 :** Correlation Coefficient Test Results

**CORRELATIONS**

		Financial Literacy	Overconfidence	Risk Tolerance	Investment Decisions
<b>FINANCIAL LITERACY</b>	Pearson Correlation	1	.600**	.601**	.544**
	Sig. (2-tailed)		0.000	0.000	0.000
	N	184	184	184	184
<b>OVERCONFIDENCE</b>	Pearson Correlation	.600**	1	.569**	.534**
	Sig. (2-tailed)	0.000		0.000	0.000
	N	184	184	184	184
<b>RISK TOLERANCE</b>	Pearson Correlation	.601**	.569**	1	.557**
	Sig. (2-tailed)	0.000	0.000		0.000
	N	184	184	184	184
<b>INVESTMENT DECISION</b>	Pearson Correlation	.544**	.534**	.557**	1
	Sig. (2-tailed)	0.000	0.000	0.000	
	N	184	184	184	184

**Source:** processed primary data, 2024

According to the findings in the correlation coefficient table above, the correlation between the independent and dependent variables shows that there is a relationship between financial literacy (X1) and investment decisions (Y) because the significance value is  $0.000 < 0.05$ . This relationship has a correlation value of 0.544, which indicates a moderate correlation level in the range of 0.40–0.599. Thus, it can be concluded that there is a moderate relationship between financial literacy and investment decisions, which is positive or unidirectional as indicated by the positive sign. In addition, the relationship between overconfidence (X2) and investment decisions (Y) is also indicated by a

significance value of  $0.000 < 0.05$ , with a correlation coefficient of 0.534, which is also in the moderate correlation category (0.40–0.599). This confirms a moderate positive relationship between overconfidence and investment decisions. Finally, there is a relationship between risk tolerance (X3) and investment decisions (Y) based on a significance value of  $0.000 < 0.05$ , with a correlation value of 0.557. This relationship also shows a moderate correlation (0.40–0.599) that is positive or unidirectional, as seen from the positive sign.

The coefficient of determination test is used to measure the extent to which independent variables explain the variation in dependent variables. The results of the coefficient of determination test are presented in Table 7.

**Table 5:** Results of the Coefficient of Determination Test

<b>MODEL SUMMARY</b>						
<b>MODEL</b>	<b>R</b>	<b>R Square</b>	<b>Adjusted R Square</b>	<b>Std. Error of the Estimate</b>		
<b>1</b>	.640 <sup>a</sup>	0.409	0.400	2.159597		
<b>A. PREDICTORS: (CONSTANT), TOLERANSI RISIKO, OVERCONFIDENCE, LITERASI KEUANGAN</b>						

**Source:** processed primary data, 2024

The results of the analysis in Table 7 show that the coefficient of determination or R square value is 0.409 or 40.9%. This value indicates that the investment choice variable (Y) is influenced by financial literacy (XI), overconfidence (X2) and risk tolerance variables, simultaneously (together) by 40.9%, with the remainder ( $100\% - 40.9\% = 59.1\%$ ) influenced by other variables not examined in this study by 59.1%.

The F test was used to determine whether the independent variables simultaneously had a significant effect on the dependent variable. The F test results are shown in Table 8.

**Table 6 :** Simultaneous Test Results (F Test)

<b>ANOVA<sup>A</sup></b>						
<b>MODEL</b>		<b>Sum of Squares</b>	<b>df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
<b>1</b>	Regression	581.905	3	193.968	41.590	.000 <sup>b</sup>
	Residual	839.495	180	4.664		
	Total	1421.400	183			
<b>A. DEPENDENT VARIABLE: KEPUTUSAN INVESTASI</b>						
<b>B. PREDICTORS: (CONSTANT), TOLERANSI RISIKO, OVERCONFIDENCE, LITERASI KEUANGAN</b>						

**Source:** processed primary data, 2024

Based on the hypothesis test results (F test) in Table 8, the significance value of the regression model simultaneously is 0.000, which is smaller than the significance level of 0.05 (5%) or  $0.000 < 0.05$ . Furthermore, the calculated F value is 41.590, while the F table value is 2.65. This finding shows that the calculated F is greater than the F table, namely  $41.590 > 2.65$ . Therefore, it indicates that financial literacy, overconfidence, and risk tolerance together or simultaneously affect investment decisions.

To complete the analysis and identify the specific influence of each variable, partial hypothesis testing was conducted using the t-test to examine the individual influence of each independent variable on investment decisions while controlling for other variables in the model. Table 9 shows the results of the partial test.

**Table 7: Partial Test Results (t-test)**

**COEFFICIENTS<sup>A</sup>**

MODEL		Unstandardized		Standardized	t	Sig.
		Coefficients				
		B	Std. Error	Beta		
1	(Constant)	2.942	0.991		2.968	0.003
	Financial Literacy	0.194	0.065	0.234	3.000	0.003
	Overconfidence	0.193	0.063	0.231	3.055	0.003
	Risk Tolerance	0.254	0.068	0.285	3.759	0.000
<b>A. DEPENDENT VARIABLE: KEPUTUSAN INVESTASI</b>						

**Source:** processed primary data, 2024

Table 9 shows that financial literacy, overconfidence, and risk tolerance affect investment decisions. The effect of financial literacy (X1) on Investment Decisions (Y) is indicated by a t-value of 3.000 and a significance level of 0.003, using a significance threshold of  $< 0.05$ . This finding concludes that there is a significant positive relationship between financial literacy and investment decisions, with  $t\text{-count} > t\text{-table}$  ( $3.000 > 1.973$ ). The effect of overconfidence (X2) on investment decisions (Y) is shown by a t-value of 3.055 and a significance level of 0.003, using a significance threshold of  $< 0.05$ . This finding shows a significant positive effect of overconfidence on investment decisions, with  $t\text{-count} > t\text{-table}$  ( $3.055 > 1.973$ ). The effect of risk tolerance (X3) on investment decisions (Y) is shown by a t-value of 3.759 and a significance level of 0.000, using a significance threshold of  $< 0.05$ . This finding shows that there is a significant positive influence of risk tolerance on investment decisions, with  $t\text{-count} > t\text{-table}$  ( $3.759 > 1.973$ ).

## **Discussion**

The effect of financial literacy on investment decisions shows that financial literacy has a positive and significant effect on investment decisions, with an effect of 19.4% based on regression analysis. This means that the higher the financial literacy, the better the investment decisions made, assuming other variables remain constant. This finding is in line with previous studies by (Gumilang et al., 2023; Pratiwi et al., 2020; Upadana & Herawati, 2020), which concluded similarly. Good financial literacy helps investors make more optimal investment decisions.

The effect of *overconfidence* on investment decisions shows that overconfidence has a positive and significant effect on investment decisions, with an effect of 19.3% based on regression analysis. Investors with high levels of overconfidence tend to be confident, bold in their decisions, and feel that they are more capable than others. These findings are consistent with research on the concluded that overconfidence increases the frequency of investment decisions. Thus, the higher the overconfidence, the more often investors make investments.

The effect of risk tolerance on investment decisions shows that risk tolerance has a positive and significant effect on investment decisions, with an effect of 25.4% based on regression analysis. The majority of investors in investment galleries in Greater Bandung are aggressive and risk-seeking. Investors with high risk tolerance tend to be more daring in making investment decisions, because greater risks often offer higher potential returns. These findings are supported by the research " , which also shows that risk tolerance increases boldness in investment decision-making.

The influence of financial literacy, *overconfidence*, and risk tolerance on investment decisions shows that financial literacy, overconfidence, and risk tolerance partially have a positive and significant effect on the investment decisions of young investors in investment galleries in Greater Bandung. The higher these three variables are, the greater the tendency for investors to invest. However, the results of the determination test indicate that even though these three factors are high, investment decisions are not always made with maximum courage. This finding is in line with the research (Wijayanti et al., 2024) which states that investment decision-making is influenced by a combination of rational and irrational factors of financial literacy, overconfidence, and risk tolerance

## **Conclusion**

This study proves that financial literacy, overconfidence, and risk tolerance simultaneously and partially have a significant positive effect on the investment decisions of young investors in investment galleries in Greater Bandung. Together, these three variables explain 40.9% of the variation in investment decisions, with risk tolerance having the most dominant influence (coefficient of 0.254), followed by financial literacy (0.194) and overconfidence (0.193). These findings integrate the Theory of Planned Behavior, which emphasizes the importance of knowledge and rational consideration through the significant role of financial literacy, with Behavioral Finance Theory, which

explains the influence of irrational psychological biases through the significant role of overconfidence in investment decision-making. This explains that young investors are not entirely rational or irrational, but are influenced by a combination of both aspects, where adequate financial knowledge can help make more optimal decisions, but is still colored by overconfidence that can encourage bold investment. The practical implications of this study indicate that young investors need to improve their financial literacy to strengthen the basis for rational decision-making, while managing overconfidence so as not to make excessive decisions without adequate analysis, and understanding their own risk tolerance profile to determine investment strategies that are in line with their financial capacity. For regulators and investment gallery organizers, the results of this study emphasize the importance of comprehensive and sustainable financial education programs to improve the quality of investment decision-making among Indonesia's younger generation, especially considering that 59.1% of other factors outside the research model still influence investment decisions and need to be explored further in future research.

## References

- Advent Graceman Mendrofa, Sakti Wibowo, & Dimas Darma Putra. (2024). Tantangan Utama Pasar Modal Indonesia : Analisis Permasalahan Dan Upaya Penyelesaiannya. *Akuntansi*, 3(1), 233–243. <https://doi.org/10.55606/Akuntansi.V3i1.1479>
- Agustin, P. ; Imron M. (2014). *Perilaku Investor Muslim Dalam Bertransaksi Saham Di Pasar Modal*. 1(12), 874–892.
- Ajzen, I. (1991). The Theory Of Planned Behavior. *Organizational Behavior And Human Decision Processes*.
- Budiarto, A. (2017). Pengaruh Financial Literacy, Overconfidence, Regret Aversion Bias, Danrisk Tolerance Terhadap Keputusan Investasi (Studi Pada Investor Pt. Sucorinvest Central Gani Galeri Investasi Bei Universitas Negeri Surabaya). *Jurnal Ilmu Manajemen (Jim)*, 5(2), 1–9.
- Cania Ferennita, Hasan, E. B. A. (2022). Pengaruh Literasi Keuangan, Advocate Recommendation Dan Overconfidence Terhadap Pengambilan Keputusan Investasi Saham Oleh Investor Muda Di Kota Semarang. *Journal Of Accounting And Finance*, 1(1). <https://doi.org/10.22219/Jafin.Xxxxxxxx>
- Carolina, A., & Wiyanto, H. (2023). Pengaruh Overconfidence, Representativeness Dan Herding Behavior Terhadap Keputusan Investasi Saham Generasi Milenial Di Jakarta. *Jurnal Manajerial Dan Kewirausahaan*, 5(4), 857–866. <https://doi.org/10.24912/Jmk.V5i4.26926>
- Gumilang, R. R., Amanda, H., & ... (2023). Impact Motivasi Investasi, Literasi Keuangan, Dan Perilaku Keuangan Terhadap Keputusan Investasi. *Coopetition: Jurnal Ilmiah ....* <http://www.journal.ikopin.ac.id/index.php/Coopetition/Article/View/3033>
- Hikmah, Mauli Siagian, Parlindungan S. (2020). Analisis Tingkat Literasi Keuangan , Experienced

- Regret , Dan Risk Tolerance Pada Keputusan Investasi Di Batam. *Jesya (Jurnal Ekonomi Dan Syariah)*, 3(1), 138–146.
- Holly, A., Jao, R., & Limang, A. (2022). Perilaku Bias Emosional Dan Risk Tolerance Dalam Pengambilan Keputusan Investasi. *Muhammadiyah Riau Accounting And Business Journal*, 4(1), Press. <https://doi.org/10.37859/Mrabj.V4i1.4036>
- Ivenny Cecilia, H. R. (2022). Pengaruh Adanya Toleransi Risiko, Ilusi Kontrol Dan Keenganan Rasa Menyesal Terhadap Pengambilan Keputusan Investasi Investor Muda. *Jurnal Manajerial Dan Kewirausahaan*, 04(04), 864–870.
- Jain, J. (2020). Evaluation Of Behavioral Biases Affecting Investment Decision Making Of Individual Equity Investors By Fuzzy Analytic Hierarchy Process. *Review Of Behavioral Finance*, 12(3), 297–314. <https://doi.org/10.1108/Rbf-03-2019-0044>
- Kontan.Id. (N.D.). *Sekitar 90% Investor Saham Indonesia Gagal*. Kontan.Id.
- Lajeunesse, A., Potvin, M.-J., Labelle, V., Joubert, S., & Rouleau, I. (2021). Characterization Of Prospective Memory In Mild Cognitive Impairment By Using The Ecological Test Of Prospective Memory. *Aging, Neuropsychology, And Cognition*, 28(3), 367–391. <https://doi.org/10.1080/13825585.2020.1772192>
- Mardikaningsih, R., & Darmawan, D. (2023). Analysis Of Financial Literacy And Risk Tolerance On Student Decisions To Invest. *International Journal Of Service Science, Management , Engineering, And Technology*, 3(2), 7–12.
- Pratiwi, N. G., Wahyudi, & Siswantini, T. (2020). Analisis Keputusan Investasi Pasar Modal Pada Generasi Millennial. *Ekonomi Dan Bisnis Universitas Pembangunan Nasional Veteran Jakarta*, 2, 556–567. <https://ocs.upnvj.ac.id/index.php/korelasi/2020/paper/viewfile/978/249>
- Rizkyatul Nadhifah, M. A. (2021). Pengaruh Literasi Keuangan Dan Toleransi Risiko Terhadap Keputusan Investasi (Studi Pada Warga Desa Sekapuk Kabupaten Gresik). *E-Bisnis : Jurnal Ilmiah Ekonomi Dan Bisnis*, 14(2), 1–11. <https://doi.org/10.51903/E-Bisnis.V14i2.388>
- Shefrin Hersh. (2000). Behavioral Portfolio Theory. *Journal Of Soviet Mathematics*, 32(2), 173–185. <https://doi.org/10.1007/Bf01084155>
- Sugiyono. (2019). *Metode Penelitian Kuantitatif* (Setiyawami (Ed.); Cetakan Ke). Alfabeta.
- Tandelilin, E. (2010). Dasar-Dasar Manajemen Investasi P. *Accounting And Management Journal*, 2(1), 1–34. <https://doi.org/10.33086/Amj.V2i1.67>
- Upadana, I., & Herawati, N. T. (2020). Pengaruh Literasi Keuangan Dan Perilaku Keuangan Terhadap Keputusan Investasi Mahasiswa. *Jurnal Ilmiah Akuntansi Dan ....* <https://ejournal.undiksha.ac.id/index.php/jja/article/view/25574>
- Wijayanti, R., Hatta, M., Sriwidharmanely, S., & ... (2024). Financial Literacy On Behavioral Biases

And Risk Avoidance Towards Investment Decisions. *Proceeding Of International Conference On Accounting & Finance*, 2, 1117–1130.

Willyanto, J., Wijaya, G. V., & Petra, U. K. (2021). Pengaruh Bias Terhadap Keputusan Investasi Saham Pada Investor Muda Di Surabaya. *Jurnal Akuntansi Dan Pajak*, 22(02), 732–740.