Investment Experience And Risk Tolerance Affect Investment Decision During Pandemi Covid 19 in Indonesia (Case Study of Investment Gallery Students in South Jakarta)

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Abstract
This research aim to know the effect of financial literacy, investment experience, and risk tolerance on investment decisions of student who are members of the investment Gallery in Jakarta Selatan, aims to determine whether student know financial literacy well and to find out what factors influence student in choosing investment decision on stock market. There are 101 samples that meet criteria in this study. The analysis in this study used validity, reliability, classic assumption test, and multiple linear regression. As a result, financial literacy has no influence on investment decisions, but risk tolerance and investment experience that can influence investment decisions. The implication of this research is that in supporting stock investment decisions in students of The Investment Gallery in South Jakarta can be done by improving the investment experience for students.
Keywords: financial literacy, investment decision, investment experience, risk tolerance

Abstrak
Penelitian Pengaruh literasi keuangan, pengalaman investasi dan toleransi risiko terhadap keputusan investasi mahasiswa/i yang tergabung dalam Galeri Investasi di DKI Jakarta khususnya Jakarta Selatan memiliki tujuan untuk mengetahui apakah mahasiswa mengetahui literasi keuangan dengan baik serta untuk mengetahui faktor apa yang mempengaruhi Mahasiswa dalam memilih keputusan investasi saham. Terdapat 101 sample yang memenuhi kriteria dalam penelitian ini. Analisis pada penelitian ini menggunakan uji validitas, reliabilitas, uji asumsi klasik, serta regresi linier berganda. Hasil penelitian menunjukkan literasi keuangan tidak memiliki pengaruh terhadap keputusan investasi namun toleransi risiko dan pengalaman investasi yang dapat berpengaruh terhadap keputusan berinvestasi. Implikasi dari penelitian ini adalah dalam mendukung keputusan investasi saham pada mahasiswa Galeri Investasi di Jakarta Selatan dapat dilakukan dengan meningkatkan pengalaman investasi bagi mahasiswa dan meningkatkan preferensi risiko dalam melakukan investasi saham.
Kata Kunci: literasi keuangan, keputusan investasi, pengalaman investasi, toleransi risiko.

1. Introduction

The economy that continues to develop along with the changing times requires people to know the aspects that exist in the economy, one of the aspects that must be studied is the aspect of knowledge and management of personal finances and their influence on investment decisions. The future of each individual depends on financial management and the financial condition they manage, if they manage it well, the results will be good and vice versa (Wahyuni, 2018). Quoted from IDX Channel, President Director of the Indonesia Stock Exchange (IDX) Inarno Djajadi revealed that the development of the capital market at the end of 2020 is heading towards a positive path. At the beginning of 2021, PT Kustodian Sentral Efek Indonesia (KSEI) noted that the number of investors in the capital market had reached 4 million investors. Of the total investors, it is dominated by investors under the age of 30 or millennial generation investors (IDX, 2021). The growth of millennial investors has increased, although investor growth is positive, but financial inclusion and financial literacy in Indonesia are still relatively low. This is also supported by data that shows that Indonesia's financial literacy and financial inclusion in 2019 were 38.03% and 76.19%. When compared to other ASEAN countries, of course, Indonesia is still lagging slightly behind Singapore, Malaysia, and Thailand.

The Provincial financial literacy index survey by the Financial Services Authority (OJK) shows that DKI Jakarta is at the top of the list with a percentage of 40%. The Indonesia Stock Exchange recorded as many as 30% of new investors from students aged 17 to 23 years. The increase made the IDX Development Director develop the Investment Gallery program and support the development of stock transaction activities among students and the public. Conducting investment activities is also related to investment decisions, because decisions or policies taken by investors are expected to benefit in the future (Budiarto & Susanti, 2017).

According to research by Awais et al. (2016), Yuningsih (2017) showed positive results between investment decision and investment experience, but the results of tests conducted by Putra et al. (2016), Mutawally (2019), and Khaira Amalia (2016) said that investment experience did not have a positive effect on investment decisions. This study was conducted aimed at determining the knowledge of students who are members of the Investment Gallery in DKI Jakarta, especially South Jakarta, regarding the influence of financial literacy , risk tolerance, and investment experience on investment decisions.

2. Theoretical Framework and Hypothesis Development (If Any)

Financial behavior is a human action in making financial decisions that are influenced by emotional factors in themselves and are carried out consistently repeatedly every day (Safitri & Sukirman, 2018).

Investment Decisions in investors often have biases due to human nature (Khan, n.d.) . In making investment decisions, investors always consider influencing factors that will affect the level of investors' courage in taking investment risks (Yuniningsih et al., 2012).

Financial Literacy is the ability to understand financial terms and their concepts and their application in behavior. Topics contained in it include the concepts of savings, interest income, budgeting, buying insurance, managing credit and loans, and how to work with financial institutions (Jacob et al., 2000). Financial literacy is also related to knowledge of factors related to inflation, interest rates, risk diversification, including the analysis of these factors to facilitate good decision making. With the increase in knowledge about financial information, investors will be more efficient in managing their investment decisions (Awais et al., 2016). General knowledge of personal finance, savings and loans, insurance and investment are the four aspects of financial literacy simultaneously have a significant influence on investment decisions (Welly et al., 2012).

H1 : Financial Literacy positively affects Investment Decisions

Risk Tolerance is the limit of ability that you can maintain in taking a risk in investing (Ayu Wulandari & Iramani, 2014). Risk tolerance in this case is related to the psychological element of decision making under financial ambiguity by which one estimates the probability of possible outcomes and their occurrence (Kahneman & Tversky, 1979). The high level of tolerance for risks owned by individuals, then a person's investment decision-making will be more courageous to choose the type of investment that has a higher risk. (Son et al., 2016).

H2 : Risk Tolerance positively affects Investment Decisions

Investment Experience is related to investors who have experience in investing which has a tolerant attitude towards risk. High-risk portfolios are more relative to less experienced investors. If investors feel anxious, this can be caused by negative experience and have little opportunity and knowledge when making investment decisions (Kusumaningrum et al., 2019). Experience in investing is a factor to know and guess investment decisions according to risk preferences and investment duration (Gambetti & Giusberti, 2012). The more experienced an investor is, the wiser it is to make decisions when investing because he learns from past experience so as to be able to combat existing risks (Awais et al., 2016)

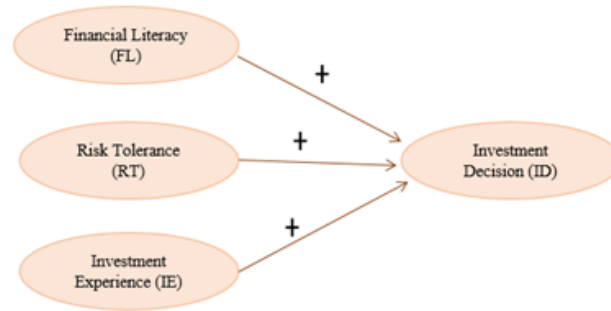**H3** : *Investment Experience* positively affects *Investment Decisions*

Figure 1. Research Framework

3. Research Method

This research is a quantitative descriptive research using methods applied by survey methods to collect questionnaire or questionnaire data and involves 101 students in the South Jakarta area who are studying S1 and are members of the Investment Gallery and actively investing in stocks. The determination of the number of samples uses calculations based on (Sekaran, 2011).

There are several test methods in this study, including: (1) validity test using table size r, (2) reliability test using *Cronbach's Alpha* value, (3) normality test using Kolmogorov-Smirnov one-sample test, (4) multicollinearity test using Variance Inflation Factors (VIF), and (5) heteroskedasity tests using scatterplot patterns from the data. For data analysis techniques using the F test and t test for measuring the influence of variables, as well as to measure determination using adjusted R2. Multiple regression model analysis techniques are performed using spss software programs.

Respondent data was also asked to enrich the analysis of research results. The data such as gender, age, university origin, faculty, force, form of investment made, investment platform used, number of stock transactions made in 1 year, and how long it has been made to invest.

The Regressi model used in this study is:

$$ID_i = \alpha + \beta_1 FL_i + \beta_2 RT_i + \beta_3 IE_i + \varepsilon_i$$

Information :
ID	: *Investment Decision*
α	: Konstanta
FL	: *Financial Literacy*
RT	: *Risk Tolerance*
IE	: *Investment Experience*
$\beta_1, \beta_2, \beta_3, \beta_4$	: *Coefficient Regretion*
ε	: *Error*
i	: Sample

4. Result, Discussion, and Managerial Implication

Validity & Reliability Test

The Validity Test in this study is to test how well an instrument built to measure a concept is that it can actually measure the concept being test-

ed (Suhartanto, 2020). This test used 101 samples with a table r of 0.3061. Based on the results of the validity test, it can be seen that the calculated r of the four variables is greater than the calculated r, the question item used as a valid gauge.

The second data quality test is a reliability test that measures the accuracy of the measurements used. Based on the results of the reliability test, it was found that the value of *Cronbach's Alpha* (0.712) > 0.6. It can be concluded that the model is quite reliable and gives consistent results.

Test of Classical Assumptions
Normality Test

Normality test to find out whether or not the data is distributed normally from the variables used (Dewi & Krisnawati, 2020). Based on the results of the normality test with kolmogorov-Smirnov one-sample test, it proves that the data in the study are normally distributed with an asymptotic sig value of 0.572 which means it is greater than the *significance value* of 5%.

Multicholinearity Test

Based on the results of the mulitcholinearity test, it shows that the tolerance value is at 0.96 which means that the > 0.10. As for the Variance Inflation Factors (VIF) in this study, it was at < 10. It can be concluded that there is no multicollinearity and the three *independent variables* can be used in predicting the student's investment decisions during the observation period.

Heteroskedatisity Test

Based on the results of the heteroskedatisity test, it can be noticed that the data distribution point is not patterned and does not collect in one place. Thus, there was no heteroskedatisity problem in this study

Goodness of Fit Test

Based on the test results, it is known that financial literacy, risk tolerance, and investment experience together have an effect on investment decision making. It is characterized by a significance value of F less than 5%.

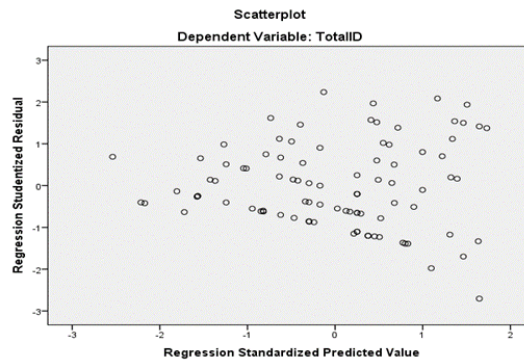The value of the coefficient of multiple determi-

Figure 2. Heteroskedatisity Test

nation (adj R²) of the multiple liner regression model equation is 0.185. It can be concluded that financial literacy, risk tolerance, and investment experience can only explain investment decisions of 18.5%, while the remaining 81.5% are influenced by other factors outside this study.

Hypothesis Test
Based on the test results, a new regression model equation was obtained, namely:

$ID_i = 10.832 - 0.045 FL_i + 0.339 RT_i + 0.443 IE_i$

From the model above, it can be interpreted as follows:
α = 10,832 which can be interpreted to mean that financial literacy, risk tolerance, investment experience towards investment decisions will be constant with an average of 10,832
$\beta1 = -0.045$ which is the variable coefficient of financial literacy. Every addition of 1 financial literacy rate (FL), the investment decision (ID) will increase by -0.045 assuming other variables are constant
$\beta2 = 0.339$ which is the coefficient of the risk tolerance variable. Every addition of 1 level of risk tolerance (RT), the investment decision (ID) will increase by 0.339 assuming other variables are constant
$\beta3 = 0.443$ which is the variable coefficient of in-

vestment decisions. Every addition of 1 investment decision level (IE), the investment decision (ID) increases by 0.443 assuming other variables are constant.

Hypothesis Test Results
Based on table 2, it is known that based on partial tests, the t calculation obtained for financial literacy is a significance greater than 5%. With this, *financial literacy* partially does not have a positive effect on the decision to invest. Thus, it can be concluded that the first hypothesis is rejected and it shows that financial literacy does not affect a person's ability to use money and make decisions about his finances in this case in the form of investment.

Based on table 2, it is known that the significance is less than 5%. Therefore, the risk tolerance variable partially affects investment decisions. Tolerance of risk students who are members of the Investment Gallery in South Jakarta leads to more cautious investment choices. The age factor of investors is one of the causes of high tolerance risk, this is evidenced by the age of respondents who are still ranging in age from 19 to 22 years old and are not novice investors. These results are supported by research (Dewi & Krisnawati, 2020) and (Awais et al., 2016) which also states that risk tolerance affects a person's investment decisions.

Based on table 2, it is known that the signifi-

Table 1. Test Results F and Adjusted R^2

Goodness of Fit Test	Result
Uji F	.000*
Adj R^2	.185

Table 2. Linear Regression Test Results

Variables	Coefficient	Significance
Constant	10.832	.000*
FL	-.045	.537
RT	.339	.001*
IE	.443	.017*

Source: Processed research results (2020)
*Significant at α = 5%

cance is less than 5%. It can be concluded that investment experience has a positive effect on the investment decisions of students who are members of the Investment Gallery in South Jakarta. More experienced investors will have more ability to manage their investment risks so that decisions in investing are better. This is in line with the profile of respondents where the average investment time is more than three (3) years with the number of transactions as many as three (3) or more in one year. The results correspond to research (Roszkowski & Davey, 2010) and (Awais et al., 2016).

5. Conclusion, Suggestion, and Limitation

Based on the results of this study, active students who are members of the Investment Gallery come from ten universities in South Jakarta. The level of financial literacy of the respondents is quite high, this is indicated because most of them are students of the Faculty of Economics. Even so, after a series of analyses, it is known that financial literacy does not have a positive effect on investment decisions, this can happen because investors do not use knowledge and financial literacy in decision making but rather the *experience* that has been done during investing. Meanwhile, risk tolerance and investment experience have a positive effect on the investment decisions of students who are members of the Investment Gallery in South Jakarta. During the Covid-19 pandemic, students' interest in investing in stocks increased, this was marked by the frequency of respondents' investments in the past year. This can be improved better by improving students' experience in investing in stocks and by increasing students' risk preferences. In this case, the IDX can carry out events related to stock investment that can increase students' experience in investing, the campus can also add student activities related to stock investment such as collaborating with companies in conducting company visits so that students are more familiar with existing stock issuers.

The limitations of this study are in several questions on the questionnaire that can cause multiple interpretations and are not even understood by respondents and the scope of the questionnaire distribution is limited. Therefore, the author gives some suggestions that can be used for subsequent researchers toexplore other dimensions that influence investment decisions, m conduct an even distribution of questionnaires with question items that are more representative of the entire variable.

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Appendices

Table 3. Variable Operationalization

Variable	Description	Indicator	Scale
Investment Decision (ID)	In making investment decisions, investors always consider influencing factors that will affect the level of investors' courage in taking investment risks (Yuniningsih et al., 2012)	Money is the goal in my life I feel satisfied with saving my money instead of investing it. The stock market is erratic, therefore I have never invested in stocks I invest large amounts of money in stocks Uncertainty about the rise or fall of the market keeps me from buying stocks I chose to save or save money because I never knew when things would get worse	Likert (1 - 5)
Financial Literacy (FL)	*Financial Literacy* is the ability to understand the term *financial* and its concept and its application in behavior. Topics contained in it include the concept of savings, interest income, budgeting, buying insurance, managing credit and loans, and how to work with financial institutions. (Jacob et al., 2000)	The capital market is a means by which the activity of buying and selling stocks, bonds, mutual funds, other derifative instruments Investment is the postponement of activities using funds with the aim of obtaining profits in the future Stocks are an example of a long-term investment Dividends are the distribution of profits that investors will get when buying shares Dividends are the distribution of profits that investors will get when buying shares Bonds are debt recognition letters with the ability to return the principal of the debt and interest periodically at a specified time Coupon is the value of the payment of the interest declared by the bond Mutual funds are a means used to raise funds from the investor community and then invested in a securities portfolio by an investment manager *Investment management* is the party that manages funds and determines mutual fund investment decisions collected from investors	Likert (1 – 5)
Risk Tolerance (RT)	*Risk tolerance* is the ability that you can maintain in taking a risk in investing (Ayu Wulandari & Iramani, 2014).	I chose the type of investment with high risk because it generates high returns I like the type of capital market investment over banks The amount of investment in the capital market is greater than that of a bank account	Likert (1 – 5)
Investment Experience (IE)	*Investment Experience* is related to investors who have experience in investing which will have a tolerant attitude towards risks. Industry high risk is more relative to less experienced investors. If investors feel anxious, it can be caused by a negative experience and have little opportunity to take chances and knowledge when making investment decisions. (Kusumaningrum et al., 2019)	I made stock transactions more than 3 times I buy stocks when interest rates are high I followed and attended the AGM I get stock dividends I bought stocks with different types of industries	Answer **Yes Or No**