

# Drivers of Investment Interest among Students: Knowledge, Benefits, and Motivation

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## Abstract

**Aim:** The aim of this research was to ascertain the level of investing knowledge, rewards, and motivation among Semarang students.

**Methodology:** Purposive sampling and primary data were employed in the sampling process, which had 136 respondents in total. Multiple regression analysis, determination coefficient test, F test, and t test were the data analysis methods that were employed using SPSS.

**Findings:** The analysis's findings demonstrated that investing interest was neither positively nor significantly impacted by investment knowledge or rewards. In fact, investment interest was significantly and favorably impacted by investment motive.

**Implications/Novel Contribution:** Universities are supposed to be able to promote students' interest in investing by offering knowledge and resources.

**Keywords:** Investment knowledge, Investment benefits, Investment motivation, Minimum investment capital, Investment return, Investment interest

**Received:** 01 September 2024 / **Accepted:** 25 October 2024 / **Published:** 23 December 2024

## INTRODUCTION

People now have easier access to information, especially in the increasingly popular area of investing, thanks to the economy's and technology's rapid advancements. According to Jones (2017), investing is regarded as one strategy to generate future profits, and advancements in technology allow investors to select investment strategies that suit their individual preferences. The internet provides various information regarding investment types and strategies that can be applied.

As a platform for investors to allocate their funds into investments and for entrepreneurs to obtain additional capital to expand their businesses, the capital market is essential to economics because it enhances investment activities and contributes to broader economic growth (Pajar & Pustikaningsih, 2017). In economics, the capital market plays a crucial role in driving a country's economic growth by simultaneously fulfilling both economic and financial functions.

The number of capital market investors has increased significantly, according to the Financial Services Authority (OJK), reaching 5.82 million single investor identifications (SID), a 50% year-to-date (YTD) rise. The Indonesia Stock Exchange's (IDX) ability to draw in new investors through partnerships with Investment Galleries at different institutions is a major cause behind this upsurge. There are 537 IDX Investment Galleries as of the beginning of this year, 36 of which are from non-university industries and 501 of which are connected to higher education institutions. Additionally, based on SID statistics from the Indonesian Central Securities Depository (KSEI), the number of stock investors in the Banyumas residence has expanded remarkably by 119.54%, reaching 32,246 according to first-quarter data from OJK Purwokerto. The number of mutual fund investors increased significantly by 150.49% to 69,726 individuals, indicating a favorable trend in Indonesia's capital market investment development.

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The expanding construction of Investment Galleries in higher education institutions has contributed to the rise in the number of university students who are investors (Gainau, 2020). The majority of students are quite excited about investing in the capital market, especially when they first learn about it, even though they do not yet have a steady source of income (Randikaparsa, Darmawan, Bagis, Hasanah, & Darmawan, 2024). Among students and the general public alike, investing has grown in popularity and usage. However, some people are still reluctant to invest because they perceive it as complicated and requiring a large amount of capital. This perception causes many individuals to hesitate in starting their investment journey. Additionally, some who have attempted to invest face difficulties or failures due to a lack of fundamental knowledge about investment (Mastura, Nuringwahyu, & Zunaida, 2020). Therefore, broader education on investment is essential to improve financial literacy and boost public confidence in the capital market.

A person's passion for the world of investing is referred to as investment interest, and it may be impacted by both internal and external causes. An individual's basic knowledge of investing, which allows them to understand basic ideas prior to joining the capital market, is one example of an internal factor. In the meanwhile, outside influences, such conversations with friends who are investing, might increase one's interest in and drive to invest (Kusumawati, Sundoro, & Widyakto, 2022).

To prevent irrational judgments, potential investors must possess a basic understanding of investments (Pajar & Pustikaningsih, 2017). Lectures on investment subjects are usually given to students in business and economics colleges, but the breadth of these instruction may not be enough to pique students' interest in investing (Wahyudi et al., 2024). A person's propensity to invest in the capital market increases with their level of investing knowledge (Burhanudin, Putra, and Hidayati (2021). Hikmah and Rustam (2020), Wijaya and Marbun (2021), Albab and Zuhri (2019), Mastura et al. (2020), Mahdi, Jeandry, and Abd Wahid (2020), Marlin (2020), Suprihati and Pardanawati (2020), and Hidayat (2024) have all performed research that indicates that investing interest is positively and significantly impacted by investment knowledge. On the other hand, research by Burhanudin et al. (2021), Amrul and Wardah (2020), and Handini (2020) shows that interest in investing is unaffected by investment expertise.

Additionally, before starting to invest, novice investors should have a solid grasp of the advantages of investing. People may take the capital market more seriously if they are aware of the advantages of investing. According to studies by Saputra (2018) and Burhanudin et al. (2021), investment advantages significantly and favorably influence investment interest. However, research by Albab and Zuhri (2019) and Gainau (2020) found no relationship between investment rewards and interest.

Another important factor in encouraging people to invest is motivation (Wahyudi et al., 2024). Both external factors and internal ambition can serve as sources of motivation (Bagis, Faridli, Awaludin, Umairroh, et al., 2024). Intrinsic motivation is the most important component in the context of investing as people are motivated to learn and act on new chances when they have a strong desire to do so (Amhalmad & Irianto, 2019). A person's interest in capital market investing increases with their level of motivation. Motivation has a good and considerable impact on investing interest, according to research by Hikmah and Rustam (2020), Saputra (2018), Wijaya and Marbun (2021), Nisa (2017), Mastura et al. (2020), Amrul and Wardah (2020), Mahdi et al. (2020), Marlin (2020), and Suprihati and Pardanawati (2020). Nonetheless, a research by Hidayat (2024) shows that while motivation has a beneficial effect, investing interest is not considerably impacted by it. In the meanwhile, research by Handini (2020), Gainau (2020), and Burhanudin et al. (2021) indicates that interest in investments is not influenced by investing motive.

A person's interest in investing is influenced by several key factors, including basic investment knowledge, the benefits of investing, and individual motivation. Therefore, increasing education about investment and raising awareness of its advantages are essential steps to encourage investment interest among the public, especially students. The purpose of this research is to examine the influence of investment knowledge, investment benefits, and investment motivation on students' interest in investing in Semarang.

## **LITERATURE REVIEW**

### **Theory of Reasoned Action and Theory of Planned Behaviour**

According to the Theory of Reasoned Action, which was first presented by Ajzen in 1980, a person's intents, goals, or interests shape their conduct before it is actually carried out. This theory emphasizes that the existence of intention or interest has a considerable influence on whether an action is finally carried out, and it relates belief,

attitude, intention, and conduct. This idea is furthered by the Theory of Planned Behavior, which adds perceived behavioral control as a crucial component in defining behavioral intention in addition to attitude and subjective standards. Both theories emphasize the significance of establishing an initial interest and intention prior to engaging in financial activities in the context of investing.

### Investment Knowledge and Investment Interest

It is more likely to pique the curiosity of those who are knowledgeable about investment. People must have a firm grasp of investing in order to manage their money effectively and make wiser choices. As one's degree of financial knowledge increases, so does their willingness and readiness to invest. Investment knowledge has a favorable and large influence on investing interest, according to previous study by Hikmah and Rustam (2020), Wijaya and Marbun (2021), Albab and Zuhri (2019), Mastura et al. (2020), Marlin (2020), Mahdi et al. (2020), and Hidayat (2024).

**H1:** Investment knowledge influences investment interest.

### Investment Benefits and Investment Interest

People engage in activities based on their interests because they think it's important and beneficial. Because it might be advantageous to both the investor and the recipient, someone who is engaged in investing will view it as significant. One of the long-term benefits of investing is the potential to provide consistent income. Previous research by Burhanudin et al. (2021), and Saputra (2018) indicates that investing benefits have a positive and substantial impact on investment interest.

**H2 :** Investment Benefits affect Investment Interest.

**Investment Motivation and Investment Interest** The practice of encouraging oneself or others to accomplish a goal is known as motivation. Every person needs inspiration in life to back up their choices and deeds. A student's interest in investing will rise if they are highly motivated to do it. Investment motivation has a favorable and considerable influence on investment interest, according to prior relevant research including those by Mastura et al. (2020), Saputra (2018), Wijaya and Marbun (2021), Nisa (2017), Marlin (2020), Mahdi et al. (2020), and Hikmah and Rustam (2020).

**H3 :** Investment Motivation influences Investment Interest.

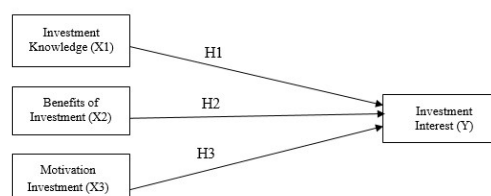


Figure 1. Conceptual framework

## RESEARCH METHODS

In order to analyze the impact of investment knowledge, investment rewards, and investment motivation on students' interest in investing in Semarang, this study uses an associative technique. It belongs to the genre of quantitative research, which gathers quantitative or qualitative data that may be transformed into numerical form (Suliyanto & MM, 2018). The primary data utilized in this study was collected straight from participants via a Google Forms-distributed questionnaire.

Purposive sampling, the sampling method used, chooses respondents according to particular standards pertinent to the study. Instrument testing, multiple linear regression analysis, model appropriateness tests, classical assumption tests, and hypothesis testing (*t*-test) are all used in this study's data analysis to look at the connection between the variables under investigation.

## RESULT AND DISCUSSION

Students 2022 – 2024 from Universitas Negeri Semarang's Faculty of Economics and Business, Universitas Diponegoro, and Universitas Islam Negeri Walisongo make up the study's population. 136 students participated in

the study as responders.

Because the computed *r*-value is higher than the table *r*-value (0.1478), the validity test findings for this study show that each instrument item for the variables Investment Knowledge (X1), Investment Benefits (X2), Investment Motivation (X3), and Investment Interest (Y) is valid. The Cronbach's alpha value surpassing 0.60 indicates that these four variables are dependable, which is further supported by the reliability test. Additionally, the asymp. Sig. (2-tailed) value of 0.193 is larger than 0.05, indicating that the study data is normally distributed, according to the findings of the normality test using the Kolmogorov-Smirnov technique.

The multicollinearity test shows that the study data does not have multicollinearity problems because the tolerance values are higher than 0.10 and the VIF values do not surpass 10. Furthermore, the Glejser method's results for the heteroscedasticity test indicate that all of the study's independent variables have significance values above 5% (0.05), indicating that there are no heteroscedasticity issues in the data.

Table 1: Demographic profile

Model	Unstandardized		Standardized		
	Coefficients		Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	-1,699	1,449		-1,173	,243
Investment Knowledge	,164	,101	,112	1,630	,106
Investment Benefits	,114	,091	,109	1,252	,213
Investment Motivation	,129	,075	,135	1,708	,020

### Model Fit Test

#### Determination Coefficient Test

The adjusted *R* square value of the model developed in this study is 0.655, according to the findings of regression analysis. According to this figure, 65.5% of the variance in the dependent variable, investment interest, can be attributed to the independent variables of investment knowledge, investment advantages, investment motivation. The remaining 34.5%, however, is impacted by several factors that were not investigated in this study, including capital market education, training, risk perception, information technology, financial literacy, investment comprehension, investment education, and suggestions. This implies that other factors also influence people's investing decisions, even while the variables under study have a major impact on determining investment interest.

F Test The *F* table value ( $k-1 = 6-1 = 5$ ,  $n-k = 123-6 = 117$ ) with a confidence level of 0.05 is 2.30, and the computed *F* value is 47.270 with a significance level of 0.000. It is possible to infer that the regression equation model is adequate because the estimated *F* value (47.270) is higher than the *F* table value (2.30), suggesting a strong match between the independent and dependent variables.

### Hypothesis Test (t)

#### The Influence of Investment Knowledge on Investment Interest

According to the test findings, students' interest in investing in Wonosobo is not positively and significantly impacted by their understanding of investments. Students' judgments may be significantly impacted by or take into account the investing information they have gained from capital market education. But most of the time, students are simply given rudimentary theoretical understanding, which is thought to be insufficient to have a big influence on their interest in investing. Their comprehension and involvement would be improved by direct investment practice. This research supports earlier findings by Burhanudin et al. (2021), Amrul and Wardah (2020), and Handini (2020) that investing interest is neither favorably or substantially impacted by investment expertise.

#### The Influence of Investment Benefits on Investment Interest

According to the test results, investment interest is not significantly and favorably impacted by the investment advantages variable. This implies that the advantages of investing in enhancing welfare, economic development, and future financial stability are not completely understood by students or are not given high priority. The Theory of Reasoned Action (Ajzen, 1991) states that people act on their interests because they believe such actions to be

significant and advantageous. This demonstrates that investments may not always have a significant impact on students' interest in making capital market investments, even if they provide significant returns. The results of this study are consistent with earlier studies by Albab and Zuhri (2019) and Gainau (2020), which likewise found no relationship between investment interest and investment rewards.

### **The Influence of Investment Motivation on Investment Interest**

An individual's interest in investing is positively and significantly impacted by investment motivation, according to this study. Motivation frequently acts as a catalyst that propels people to act in order to accomplish particular objectives. The Faculty of Economics and Business at three Semarang universities provides Financial Management courses that give students a foundational understanding of investing. To help students better grasp how to begin investing in the stock market, institutions also often provide capital market education classes. In order to facilitate the learning process, faculty members offer resources practical and frequently host inspirational lectures and capital market talks to broaden students' understanding.

The desire for success is one of the three basic wants that influence human behavior, according to McClelland's learnt needs theory. Internal motivation might arise, for example, when students attend faculty-hosted lectures on financial markets and investments. The goal of these seminars is to motivate students to succeed and develop a solid investment portfolio. According to Mastura et al. (2020), Saputra (2018), Wijaya and Marbun (2021), Nisa (2017), Marlin (2020), Mahdi et al. (2020), and Hikmah and Rustam (2020), investment motivation significantly and favorably influences people's interest in investing. These findings are consistent with earlier research.

### **CONCLUSION**

According to the research findings derived from the data analysis carried out for this study, investment interest is not positively and significantly impacted by investing knowledge or rewards. On the other hand, investment interest is positively and significantly impacted by investment motivation.

### **Suggestion**

This study has certain limitations, so several recommendations are provided. Students are encouraged to build confidence and utilize investment learning through practical experience to better understand the capital market. Universities should offer specialized investment courses to enhance students' knowledge. Additionally, students should be proactive in starting investments and develop self-motivation to maintain their commitment to investing. Future research can incorporate additional variables and expand the population and sample size beyond the three universities in Semarang.

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