

FACTORS INFLUENCING THE BEHAVIOR OF YOUNG INVESTORS' INVESTMENT DECISIONS: THE EMERGING MARKET ANALYSIS

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Abstract

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The objective of this study is to examine the impact of financial literacy, locus of control, and technological advancement on the investment behavior of young investors when making decisions in the Purwokerto City of Indonesia Stock Investors group members. This study employs a quantitative methodology and questionnaire-based data collection techniques. Using a technique of purposive sampling on the population of 272 members of the Purwokerto City of Indonesia Stock Investors group, the sample for this study consisted of 105 individuals. The findings of statistical analysis of data utilizing multiple linear regressions show that financial literacy has a positive effect on investment decisions, locus of control has no effect on investment decisions, and technological advancement has a positive effect on investment decisions. With limitations such as the population only from one city of Indonesia, i.e., Purwokerto, this study contributes to advancing knowledge, particularly in financial accounting research, more specifically to evaluate factors affecting behavioral young investors in investment decision-making. Therefore, it is expected to benefit future research on a similar topic.

Keywords: Financial Literacy, Locus of Control, Technological Advancement, Investor's Behavior, Investment Decision-Making

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1. INTRODUCTION

In the era of the 'Z' generation and millennial investment in the capital market, it has become increasingly popular and in demand in Indonesia, particularly among the young generation. This is evident by the large number of young people who have begun investing. In comparison to 2020,

the number of capital market investors increased by 93% by the end of 2021, reaching 7.5 million investors. These investors are dominated by the 'Z' generation and millennials, both under the age of 40 (Kusumaningrum et al., 2019; Dewi, 2022; Pastor et al., 2022; Hidayat & Hartono, 2022).

The office of Purwokerto Financial Services Authority (*Otoritas Jasa Keuangan, OJK*) reported

that the number of stock investors in the former Banyumas Karasidenan increased by 119.54% to 32,246 in April 2021 (Purwanto, 2021). The community has many supporters for investing because it is provided with a variety of facilities, ranging from various existing applications, and can invest with as little as a few nominal rupiah. The general public, particularly the young people of Purwokerto, can invest in the capital market through a variety of available and accessible platforms.

Investment is the act of putting money to work with the expectation that it will yield a profit in the future. Bonello (2019) defines investment as the utilization of assets or capital in the present for the purpose of earning future profits. An investor decides which investment to make in order to achieve social, cultural, and environmental gains as well as, to some extent, financial returns (Sharma et al., 2021). The decision to invest will vary from person to person depending on several factors, such as market conditions, funds availability, psychological factors, social factors, demographic factor, behavioral factors (attitude, heuristics, risk aversion, use of financial tools), etc. (Farooq & Sajid, 2015; Hemalatha, 2019; Abidin et al., 2022; Kang et al., 2022). According to Dangol and Maharjan (2018) as well as Gustika and Yaspita (2021), the investment will expand economic opportunities and employment, boost national income, and benefit the people. This function derives from the three important functions of existing investment: 1) investment in aggregate demand, national income, and employment opportunities; 2) increasing production capacity, which leads to an increase in capital goods; and 3) investments accompanied by technological advances (Sharma et al., 2021).

According to Webley and Nyhus (2006) and Barclay (2019) investment consists of four types, namely 1) real wealth investment such as land assets, and buildings; 2) investments in visible personal wealth such as gold, diamonds, and antiques; 3) financial investments such as deposits, stocks, and bonds; 4) investment in commodities such as coffee and palm oil, etc. According to Ansari and Moid (2013) and Putri and Rahyuda (2017), there are three reasons why people invest: to get a better life in the future, to reduce the impact of inflation on the value of wealth, and to save on taxes as a consequence of policies in a number of countries that offer tax incentives to investors in a specific sector.

The number of capital market investors in Indonesia increased significantly. This increase was the result of a higher future return rate compared to banks. On the capital market, investors are free to choose the securities they wish to trade based on their preferences. According to data from the OJK (2021), the number of investors in Indonesia has increased from year to year, rising by 53.41% from 2018 to 2019. The number of investors increased from 1,619,372 in 2018 to 2,484,355 in 2019. The number of investors in Indonesia increased by 56.21% from 2019 to 2020, from 2,484,354 to 3,880,754 investors. The number of Indonesian investors increased by 65.73% from 2020 to 2021, from 3,880,753 in 2020 to 6,431,444 by September 2021. Comparing Indonesia to Malaysia and Singapore, the rise in capital market investors in Indonesia is still modest. Less than 5% of

Indonesians invest in the capital market, compared to 9% and 26% in Malaysia and Singapore, respectively (Uly, 2020; Hesniati & Lasmianto, 2020; Baihaqqi & Sugiyanto, 2020).

An investor who engages in capital market activities will inevitably face a situation in which he/she must make investment decisions. Investment decisions are made to generate future profits by allocating funds to diverse investment alternatives (Bonello, 2019; Barclay, 2019). Investment decisions are made solely based on one's individual nature, necessitating careful consideration, which is highly dependent on the behavior of investors (Dangol & Maharjan, 2018; Sitinjak et al., 2021; Sarbabidya & Saha, 2018; Kareem et al., 2023).

Before making an investment decision, of course, an investor will learn about the fundamental information of the company he/she wants to invest in which can be seen through the company's financial statements available on the Indonesia Stock Exchange (IDX) by looking at some aspects of the ratio of the company they want to find out whether the company is eligible for investment. Before someone makes an investment, an important skill that must be possessed is understanding financial literacy.

According to Abdullah and Anderson (2015) and OJK (2021), financial literacy must be attained with optimal benefits and risks in order to maximize the quality of financial decisions chosen to improve welfare. Financial literacy is the ability to produce information that can be used to take effective action regarding the use of finances and financial management in the present and the future (Baihaqqy et al., 2020; Herdinata & Pranatasari, 2020).

OJK has conducted a survey on the financial literacy level of the Indonesian population three times, in 2013, 2016, and 2019. According to OJK (2021), the level of financial literacy among Indonesians has increased every three years. In 2013, the level of public financial literacy was 21.8%; in 2016, it was 29.70%, an increase of 7.9% over the level of financial literacy in 2013; and in 2019, it was 38.03%, an increase of 8.3% over the level of financial literacy in 2016 (Kusuma et al., 2021; OJK, 2021).

The level of financial literacy has a significant impact on the readiness of an individual to make investment decisions. According to research conducted by the marketing agency Inside ID in 2018, the majority of Indonesians are still unfamiliar with alternative investment instruments, where 50% of respondents own gold, 37% bank deposits, 30% real estate, 22% mutual funds, and 17% stocks (Miftahudin, 2021). Eko Listiyanto, deputy director of the Institute for the Development of Economics and Finance of Indonesia, stated that banks continue to have the highest level of financial literacy at 36.12%, followed by insurance at 19.40%, pension funds at 14.13%, and the capital market at 4.92% (Miftahudin, 2021; Hartini et al., 2022).

Dewi and Purbawangsa (2018), Upadana and Herawati (2020), Gustika and Yaspita (2021), Audini (2020), and Pratiwi et al. (2020) demonstrated that financial literacy has a positive effect on investment decisions. In contrast to the findings of Arianti (2018), Pradhana (2018), and Senda et al. (2020) found that financial literacy has no bearing on investment decisions.

In addition to financial literacy, another factor that influences an individual's investment decision-making behavior is a locus of control. A person's locus of control is his/her belief in something in his/her life, whether as a result of his/her own efforts or those of others (Hastuti, 2021). According to Rotter (1966), a locus of control is a different perspective on how much control an individual has over what happens to them and around them. Moreover, a locus of control is divided into two categories: internal locus of control, in which the individual believes that they have control over their own destiny, and external locus of control, in which the individual believes that external parties are responsible for their destiny and what happens around them. Mahwan and Herawati (2021), Suprasta and Nuryasman (2020), and Rasyid et al. (2018) demonstrate that an internal locus of control positively influences investment decisions.

In addition to the internal locus of control, which influences investment decisions due to its own control, technological advancements also influence investment decisions. Current-day technology evolves continuously over time. Due to technological advances, this also affects the capital market sector and the financial sector. Moreover, investors can view stock trends and company risks in real time via an online trading system (Cahya & Setyarini, 2020). Before using online trading services, investors must already have an account or account with the securities company and have access to the Internet (Utami, 2012).

Flor and Hansen (2013) documented that technological advancement impact significantly on firm's decision to invest. Moreover, Sari et al. (2021) and Fathmaningrum and Utami (2022) discovered that technological advances have a positive impact on investment decisions. Oppositely, the findings of Cahya and Setyarini's (2020) study, technological advances do not influence investment decisions.

Based on previous studies, the results of existing research on the variables of financial literacy, locus of control, and technological progress on investment decisions are still inconsistent. Therefore, the authors of this study reexamined these variables. The three independent variables used in this study, namely financial literacy, locus of control, and technological advancement, have never been studied in conjunction with investment decisions in previous studies. Young members of the Purwokerto stock investor group constitute the respondents in this study. This research was conducted in July 2022.

Based on the described context, the following research questions can be identified:

RQ1: Does financial literacy influence investment decisions?

RQ2: Does internal control influence investment decisions?

RQ3: Does technological advancement influence investment decisions?

The work is divided into five sections. Section 1 is the Introduction. Section 2 focuses on the literature review of the theory and prior research on comparable themes. Section 3 examines the study technique and data analysis. Section 4 expands on the debate, while Section 5 provides the conclusion of the paper.

2. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

2.1. Literature review

The theory of planned behavior (TPB) developed by Ajzen (1991) is utilized to comprehend various types of a person's behavior. According to this theory, the intention to behave is the most important determinant of a person's behavior. Intention to exhibit a behavior is a combination of an individual's attitude toward the behavior and subjective norms.

Investment is the utilization of assets or capital in the present for the purpose of earning future profits (Ansari & Moid, 2013; Barclay, 2019; Pastor et al., 2022). According to Bonello (2019) and Audini (2020), investment is the purchase of one or more long-term assets with the expectation of receiving a variety of benefits in the future.

The capital market is defined by Law of the Republic of Indonesia No. 8 of 1995 concerning capital market as "activities related to the Public Offering and trading of Securities, Public Companies with respect to the securities they issue, and professional institutions with respect to Securities" (p. 4).

Barclay (2019) and Sitingjak et al. (2021) define an investment decision as a person's choice to place their funds for investment with the expectation of future profits. Investment decisions involve the allocation of capital by investors in order to generate future profits (Kengatharan, 2019; Kusuma et al., 2021; Fathmaningrum & Utami, 2022; Hidayat & Hartono, 2022).

Financial literacy, as defined by Dewi and Purbawangsa (2018) and Baihaqqy et al. (2020), enables a person to make sound financial decisions and avoid financial problems caused by poor financial management. Financial literacy will affect a person's ability to make sound financial decisions based on the knowledge they possess (Pratiwi et al., 2020).

One of the factors that determine individual behavior is a locus of control, which is divided into two categories: internal locus of control, which believes that it has the ability to determine its own destiny, and external locus of control, which believes that everything produced in life is the result of external forces (Rotter, 1966; Suyono & Farooque, 2019; Mahwan & Herawati, 2021).

Flor and Hansen (2013) define technology as all the skills humans possess for utilizing resources to solve life's challenges. Mastery of technological advancements has a significant impact on a person's behavior when making various types of decisions, including investment decisions.

2.2. Hypotheses development

2.2.1. Financial literacy and investor's conduct in investment decisions

Financial literacy is the capacity to comprehend the function of money and how to invest or manage it (Bonello, 2019; Barclay, 2019). Financial literacy is the ability to produce information that can be used to take effective action regarding the use of finances

and financial management in the present and the future (Herdinata & Pranatasari, 2020; Baihaqqy et al., 2020). The greater a person's level of financial literacy, the better they are at making investment decisions; someone with a high level of financial literacy will be more prudent and careful in managing their assets so that they can provide benefits for supporting one's finances (Pratiwi et al., 2020; Jonathan & Sumani, 2021).

Based on the TPB, a person's attitude toward a behavior is a belief he/she holds about the results of a particular behavior; this belief stems from a mindset that influences him to engage in that behavior (Suyono & Farooque, 2019; Syarfi & Asandimitra, 2020). One of these perspectives can be acquired through financial literacy activities, so financial literacy is a component of the TPB that can be used to evaluate students' behavior in making investment decisions.

Research conducted by Dewi and Purbawangsa (2018) on PT Bank Pembangunan Daerah Bali Renon Branch employees demonstrates that financial literacy has a positive and substantial impact on investment decisions. This is consistent with research conducted by Gustika and Yaspita (2021) on students of STIE Indragiri Rengat, Audini (2020) on STIEM Bongaya Makassar students, Pratiwi et al. (2020) on participants of the 2019 IDX capital market school, Logitama et al. (2021) and Baihaqqy and Sugiyanto (2020) who found that the higher a person's financial literacy, the more precise and accurate their investment decisions. Based on this description, the following hypothesis will be tested in this study:

H1: Financial literacy has a positive influence on investment decisions.

2.2.2. Locus of control and investor's conduct in investment decisions

Internal locus of control is a person's perspective on whether or not he/she can control an event (Rotter, 1966; Suyono & Farooque, 2019). Moreover, according to Suyono and Farooque (2019) and Rasyid et al. (2018), an internal locus of control can assist a person in controlling his/her behavior and decision-making and taking responsibility for his/her actions.

According to the TPB, a person's behavior is related to his/her belief that it is under control. Psychological factors resulting from a person's experiences and beliefs will be taken into account. This psychological variable is referred to as the internal locus of control (Suprasta & Nuryasman, 2020).

A person with an internal locus of control in investment decision-making tends to be independent because the results of his investment decisions are based on an in-depth study of what another person does, allowing for more precise and accurate investment decisions following the TPB perceived behavioral factors control.

Mahwan and Herawati's (2021) research on young entrepreneurs in Singaraja demonstrates that internal locus of control has a positive and statistically significant effect on investment decisions. According to research conducted by Suprasta and Nuryasman (2020) on investors older than 22 years old, Rasyid et al. (2018) on employees

of PT Pertamina Branch Padang, the following hypothesis will be tested in this study:

H2: Internal locus of control has a positive effect on investment decisions.

2.2.3. Technological advancement and investor's conduct in investment decisions

Flor and Hansen (2013) define technology as all the skills possessed by humans in the use of resources to solve the life problems they face. Therefore, technological advances certainly make it easier for humans to carry out their activities. The existence of technology can cut various existing problems, such as the problem of distance and time.

Existing technological advancements can be a factor in a person's investment decision. This is consistent with Ajzen's (1991) concept of behavioral control within the TPB. According to Ajzen's (1991) TPB, behavioral control is a person's perception that it will be easy or difficult to perform a behavior with the support of available opportunities and resources. Therefore, the greater a person's perception of technological advancements that facilitate investment decisions, the more precise and accurate their capital market investment decisions will be.

Sari et al. (2021) demonstrate that technological advancements have a positive impact on investment decisions. According to research conducted by Jonathan and Sumani (2021) on the millennial generation and Maturty et al. (2021) on students of the Department of Management at Patimura University, Ambon, the more advanced technology advances, the better investment decisions millennials make because they are provided with a variety of facilities. In addition, Flor and Hansen (2013) documented similar findings on this issue. Similarly, Fatmaningrum and Utami (2022) also found that technological advancement influences positively investor's behavior in investment decisions. Based on this description, the following hypothesis will be tested in this study:

H3: Technological progress has a positive effect on investment decisions.

3. RESEARCH METHODOLOGY

3.1. Research design

This study is quantitative and employs the survey method. The purpose of this study is to examine the impact of financial literacy, internal locus of control, and technological advancements on capital market investment decisions. The population of this study consists of Purwokerto residents who are members of the Purwokerto stock investor group. This study is more concerned with members of the Purwokerto population who are stock investors. There are 272 individuals who are members of the Purwokerto stock investor group. The sample criteria are: 1) domiciled in Purwokerto; 2) have invested in the capital market for 3 months; 3) have invested in the capital market at least 2 times. The final sample size is 105 young investors in Purwokerto. To be able to reveal the problem phenomena related to this research topic in more depth, it is also possible for those who wish to deepen this research topic in the future to

incorporate qualitative methods by conducting in-depth interviews with young investors. Thus the factors that have the potential to influence investors' behavior in investing can be disclosed in more detail and depth.

3.2. Variables measurement

The variables and the way they are measured are provided below.

Investment decision: Investment decisions are the process of resolving multiple problems and selecting one or more of the numerous available investment options (Ansari & Moid, 2013; Dewi & Purbawangsa, 2018; Pastor et al., 2022). According to Senda et al. (2020), the indicators for measuring investment decisions are return, risk, and the relationship between return and risk.

Financial literacy: Financial literacy is the capacity to manage one's finances to live prosperously in the future (Abdullah & Anderson, 2015). According to Sari et al. (2021), the indicators for measuring financial literacy are financial knowledge, spending, and investment planning.

Locus of control: A person's locus of control is his/her belief in something in his/her life, whether as a result of his/her own efforts or those of others (Hastuti, 2021). According to Rotter (1966), each individual has both an internal and an external locus, with the only difference being the relative strength of one versus the other. Moreover, the internal locus of control describes a person's belief in the source of the determining factor (Mahwan & Herawati, 2021) where the indicators of measuring the internal locus of control are behavioral potential, giving, and the value of obedience.

Technological advancement: Technological advancement is progress that goes hand in hand with scientific advancements to produce innovations that make human life more convenient (Flor & Hansen, 2013; Sari et al., 2021). According to Sari et al. (2021), indicators of technological advancement include convenience and comfort.

3.3. Data analysis

This study collects primary data in the form of a questionnaire distributed to respondents. A total of 105 questionnaires, out of a population of 272 members of the Purwokerto stock investor association, were filled out and analyzed. The data is then analyzed using an instrument quality test that includes a test of validity and reliability, descriptive statistics, and a test of the classical assumption of ordinary least squares (OLS) that includes non-normality and multicollinearity tests. In addition, to test the developed hypotheses, use the following regression equation with OLS:

$$BEHAV = \beta_0 + \beta_1 FINLIT + \beta_2 LOCUS + \beta_3 TECH + \varepsilon \quad (1)$$

where:

$BEHAV$ = Investors' behavior in investment decisions;

β_0 = constant;

$\beta_1, \beta_2, \beta_3, \beta_4$ = regression coefficients;

$FINLIT$ = Financial literacy;

$LOCUS$ = Locus of control;

$TECH$ = Technology progress;

ε = error.

4. RESULTS AND DISCUSSION

4.1. Overview of population and sample

The respondents of this study are Purwokerto residents who are members of the Purwokerto stock investor group. This research determined the profiles of respondents who reside in Purwokerto, have invested in the capital market for 3 months, and have invested in the capital market twice. Using these criteria, the final sample consisted of 105 individuals with the following characteristics:

Table 1. Overview of respondents

Characteristics		Number
Age	20-25	50
	26-30	38
	31-35	17
Total		105
Gender	Male	63
	Female	42
Total		105

The results of descriptive statistics are shown in Table 2. The average value is approximately 4, with $FINLIT$ having the lowest value (4.2630), while $TECH$ has the highest (4.3624).

Table 2. Descriptive statistics

Variable	N	Min	Max	Mean	Std. Dev.
$BEHAV$	105	3.38	5.0	4.3418	0.44164
$FINLIT$	105	3.37	5.0	4.2630	0.45125
$LOCUS$	105	3.63	5.0	4.2902	0.39653
$TECH$	105	3.63	5.0	4.3624	0.39701

Moreover, the results of validity and reliability tests indicate that all variables' instruments are valid and reliable. The result is not displayed for brevity but is available upon request. In addition, using the one-sample Kolmogorov-Smirnov test, the Asymp Sig. for the classical assumption test of regression is 0.200, which is greater than 0.05. It indicates that all data in the study have a normal distribution. The variance inflation factor (VIF) for the independent variables $FINLIT$, $LOCUS$, and $TECH$ is 1.859, 1.366, and 1.868, respectively, according to the multicollinearity test. All VIF values are less than 10, indicating that there are no multicollinearity issues in this study.

Table 3. Ordinary least square (OLS): Coefficients

	B	t	Sig.
Constant	1.344	2.830	0.006
$FINLIT$	0.198	3.772	0.009
$LOCUS$	0.170	1.333	0.186
$TECH$	0.329	3.020	0.003
F	5.902	13.815	0.000
Adjusted R-square	0.720		

The results of the multiple linear regression analysis tests as in Table 3 above include an F-test, so the F-statistics value is 5.902 with a significance level of 0.000. Using a significance level of 0.05 and

a df of 102, these results are compared with the F-table. The obtained results for F-table are 2.751 when compared with F-statistics > F-table, therefore. The obtained significance level is 0.000. In Table 3, the results for the coefficient of determination test yield a value of 0.720, or 72%. This indicates that the investment decision variable as the dependent variable can be explained by the independent variables used in this study, such as financial literacy, internal locus of control, and technological advancements. The remaining percentage, 28%, can be explained by other variables that were not examined.

4.2. Discussion

Based on the first hypothesis (*H1*) test that has been carried out, it states that financial literacy has a positive effect on investment decisions. This positive value means that increasing one's financial literacy will encourage someone to make more precise and accurate investment decisions. This research is in line with the TPB that attitudes toward behavior are elements that can influence a person's behavior. A person will behave when he/she gets a good assessment of behavior that is considered because financial literacy raises a mindset that influences a person in carrying out a behavior, especially in the decision to invest.

Based on the distributed and summarized questionnaires, Table 2 contains descriptive statistics from respondents regarding financial literacy, with an average value of 4.2630, indicating that the average respondent agrees with the financial literacy indicators.

The findings of this study are consistent with those of Gustika and Yaspita (2021) of STIE Indragiri Rengat students, Audini (2020) of STIEM Bongaya Makassar students, and Pratiwi et al. (2020) of participants of the 2019 IDX capital market school, who found that the higher a person's level of financial literacy, the better investment. In addition, the findings support Abdullah and Anderson (2015), Baihaqqy et al. (2020), Herdinata and Pranatasari (2020), and Hesmiati and Lasmiayanto (2020).

According to the findings of the second hypothesis (*H2*) test, the internal locus of control has no bearing on investment decisions. There is no correlation between internal locus of control and investment decisions. In the TPB, one of the factors that can influence a person's behavior is perceived behavioral control, which is based on his/her past experiences and beliefs. The reality is that although individuals have past experiences and believe they control their own lives, this does not affect their investment decisions because investment decisions are not solely based on beliefs but must also consider other factors. Even if a person holds a belief, this has no bearing on whether or not his/her investment decisions are improving.

Based on the distributed and summarized questionnaires, Table 2 displays descriptive statistics from respondents regarding the internal locus of control, with a mean value of 4.2902, indicating that the average respondent agrees with the indicators contained in the internal locus of control.

The findings of the study are not in line with Mahwan and Herawati's (2021) that internal locus of control has a positive and statistically significant effect on investment decisions. However, it is in line with Suprasta and Nuryasman (2020) and Rasyid et al. (2018) who found that internal locus of control does not influence investment decisions. This is because a person's belief alone is insufficient to improve the quality of their investment decisions. Rather, a good investment decision must be based on an understanding of investment, as well as one's own beliefs.

According to the findings of the third hypothesis (*H3*) test, technological advancement has a substantial positive effect on investment decisions. This positive value indicates that the more advanced the existing technological advances, the more it will encourage an individual to make more precise and accurate investment decisions, as technological advances make it easier to make investments and obtain information about capital market investments.

This research is consistent with the TPB factor perceived behavioral control, which states that behavioral control is a person's perception of whether or not he/she believes it will be simple to perform the behavior with the help of available opportunities and resources. Therefore, the greater a person's perception that technological advances provide convenience and comfort when making investment decisions, the more precise and accurate their investment decisions will be.

Based on the distributed and summarized questionnaires, Table 2 displays descriptive statistics from respondents regarding technological progress with an average value of 4.3624, indicating that the average respondent agrees with the technological progress indicators.

The findings of the study are consistent with previous research conducted by Sari et al. (2021), demonstrating that technological advancements have a significant positive effect on investment decisions. These findings are consistent with research conducted by Jonathan and Sumani (2021) on the millennial generation, Maturty et al. (2021) on students at the Department of Management and Accounting, Patimura University, Ambon who stated that the more advanced technology advances, the better investment decisions millennials make because they are provided with various kinds of facilities, such as the features in the application that provide convenience and ease of making investment decisions. In addition, these findings support Flor and Hansen (2013) who documented the positive link between technological advancement and investment decisions.

In other words, the empirical findings in this study prove that financial literacy and technological advancement have a positive influence on investors' behavior in decision-making; meanwhile, locus of control does not have a significant influence. The study has implications for the practical findings of this research, namely that investors need to improve financial literacy and the ability to operate technological advances in making investment decisions because these two factors have proven to have a positive influence on the behavior of investors in making investment decisions.

5. CONCLUSION

Based on the research conducted, it can be concluded that financial literacy has a significant positive effect on investment decisions made by members of the Purwokerto stock investor group, internal locus of control has no effect on investment decisions made by members of the Purwokerto stock investor group, and technological advances has a significant positive effect on investment decisions made by members of the Purwokerto stock investor group.

The findings of this study indicate that financial literacy and technological advancements can have a positive impact on capital market investment decisions. This research can be used as a reference or as a basis for additional investigation of the allegations. Financial literacy can influence investment decisions in the capital market because when one has a good understanding of finances, he/she can avoid the risk of investment losses, manage it, and do investment planning by

considering the value of time to make good investment decisions, ensuring that the investment that is purchased will yield positive results in the future. Because technological advances provide comfort and convenience in making investments with a variety of existing features, such as features that make it easy to find information on the capital market, can transact in real time, and can unify stock portfolios in real time, technological advances can impact decisions to invest in the capital market.

Several of the limitations of this study include the following. There were 272 participants in this study and 105 members of the Purwokerto stock investor group were included in the sample. Not up to 50% of the population. This study was limited to Purwokerto residents who were members of the Purwokerto stock investor group. Next research is anticipated to expand the scope of respondents so that the results of the study can change due to the large number of respondents, such as an internal locus of control variable that has no effect if the scope of respondents is expanded.

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