



The influence of education level, occupation, income and age in choosing mutual funds as instruments of investment

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ABSTRACT

Investment activities are not apart from how we are able to process our resources and funds to be able to develop our capital, the Reksa Fund is one type of investment and is a container used to collect funds from the funding society to be invested in a portfolio of effects by the investment manager. In its development, investment requires income, level of education, age maturity and job certainty can influence the decision to choose investment interest in investment instruments. This research is a quantitative study with a descriptive format, processing primary data from a questionnaire with a Likert scale. The population involved in this study is the Millennial Generation. Research findings show that education, employment, income, and age have a significant influence on millennial generation decisions in choosing money as an investment instrument. High level of education, stable, high-income jobs, and older age tend to prefer equity as a more promising and low-risk investment instrument.

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1. INTRODUCTION

Investment is constantly changing dynamically from year to year and there are also innovations that are done on good investment products that are in the world of Indonesia. Investment is a sacrifice made at the moment with the aim of obtaining greater benefits in the future (Shaik et al., 2022). The management of investment that we own is accessible globally, enough with smartphone media that can be done wherever we are and makes it easy for us to do whatever we want and we have quickly. But in our daily lives, without us realizing that the activities we do are limited and much controlled both in terms of location, time and even a stable Internet network. Not everyone has enough time to invest. According to Mayer (2021) Investment is the availability of funds or other resources made at the moment, with the aim of gaining a number of profits in the future. Regarding the discussion of investments, the potential investor can diversify on several instruments, for example, is a settlement and this is a worthy solution to be considered because it is able to cope with the high cost of direct investment in the capital market for investors who have minimal and small capital.

Reksadana is one of the investment alternatives for the society of investors, especially potential investors and small investors who do not have much time and expertise to calculate the risk of their (Aldini & Andarini, 2018). The allocation of capital to other parties may be transferred to individuals or to institutions or enterprises. According to Nosita (2020) individual investment patterns and investment decisions are influenced by demographic variables and risk tolerance.

In determining investment decisions, in addition to psychological factors, there are also demographic factors that can affect investment decisions. According to a study conducted by Adil (2022), gender demographic factors have a significant impact on investment behavior while income has no significant influence on investment decision behaviour. A significant finding from the research conducted by Prati (2019) is that gender is a demographic variable that affects investment patterns, while employment and age do not affect investment pattern which means age and employment do not have a significant influence on investment decision making. A study conducted by Mutenje (2019) showed that women were more willing to invest in stocks than men, meaning gender influenced investment decisions. Research conducted by Senda (2020) concluded that various demographic factors such as age, gender, income rate, and employment have a major impact on investor investment decisions. The results of research conducted by Putra (2019) show that investors with different income rates have similar decisions in taking risks in stock trading which means that income rates do not affect capital market investors in Vietnam.

The results of research conducted by Putra (2019) show that men tend to be more willing to take risks than women in trade. Moreover, because female characteristics often play an important role in family spending, so they should carefully consider trading stocks to minimize costs and to avoid risk and not be willing to take risks. In a study conducted by Zahra (2021) age, gender, and employment were factors that influenced investment decisions. There are different results in the study conducted by Putri (2019) showing that some demographic factors such as gender and income do not significantly affect investment decisions. Similarly, research conducted by Tanusdjaja (2018) shows that some demographic factors such as age, gender, and income do not significantly affect investment decisions.

In Indonesia, Reksadana has been traded in Indonesia since 1995 with the publication of Law No. 8 of 1995 on capital markets. The facility of investment allowed the development of the reksadana to rise rapidly until 1997. It is badly conceived as an alternative investment instrument, which makes potential investors interested in such investment options. And based on the understanding of investment satisfaction according to Deschryver (2020) investment decisions is how a person or potential investor or financial manager is able to allocate funds owned into forms of investment that will be able to bring profits in the future.

So in deciding on investment options and also reducing the rate of losses that are commonly occurring, it is necessary to increase the level of investor education so that in making investment decisions can be more cautious. In addition to employment education and age also influence in investing. The higher a person's position in the job makes the person overconfidence in making a decision and always considering his decision right. Also in decision-making, older and experienced people essentially have a better experience in making decisions as quickly and wisely as possible. The aim of this study is to analyze the level of education, employment, income and age capable of influencing the choice of investors as a partial investment instrument.

The increased interest of millennials in making investments in reksadana instruments has become an interesting topic to study (Cahya et al., 2021; Nissa & Widyastuti, 2022). As generations have different characteristics than previous generations, millennials tend to be more open to technology and information. This allows them to have easier access to information about investments, including investments in funds.

However, on the other hand, millennials are also often faced with a variety of different investment instruments options. The level of education, employment, income, and age are the factors that influence the millennial generation's decision-making in choosing investment instruments, especially funds. Therefore, research into the influence of education, employment, income, and age in choosing investments as an investment instrument for millennials can provide a clear overview of what factors are considered by millennial generations in selecting investment instruments, as well as how they influence their decisions in making investments on investments. The results of this study are expected to contribute to a deeper understanding of millennial investment preferences and provide recommendations for policymakers in developing investment instruments that can interest millennials.

2. RESEARCH METHOD

This study is a quantitative study in a descriptive format. The data used in this study is primary data obtained from questionnaires that are distributed to respondents through the Google Forms platform. Quantitative method is a method of research that can be understood as a research method based on the philosophy of positivism, used to research on a particular population or sample, data collection using research instruments, data analysis of a quantitative or statistical nature, with the aim of testing hypotheses that have been established according to Ferdinand (2006). Objects in the research of millennial generation investments in the southern region. There are independent variables and dependent variables. An independent variable is a variable that causes the occurrence or change of a dependent variable. Independent variables or free variables, in this study, namely: level of education, employment, income, age. While variables are bound or dependent variables is the election of Reksadana as a Millennial Generation Investment Instrument in the South. The data used in this study is either quantitative or descriptive statistics. More methods use a quantitative research approach. Quantitative method is a research method that can be understood as the research method used to investigate and observe a particular population or sample, data collection using research instruments, data analysis of quantitative or statistical nature. Data collection is a systematic and standard procedure for obtaining the necessary data. In this data collection, the author carries out the data collection by distributing the questionnaires created using the Google form application and distributed using the WhatsApp application. After the data has been collected in the amount of 111 in accordance with the required sample, the respondent's data is processed through the Microsoft Excel 2016 application using the Data Analyze menu in the Descriptive Statistic option for descriptive analysis, then the data is also processed using the SPSS program for the calculation of the Least Square Method Regression Equation.

3. RESULTS AND DISCUSSIONS

From the results of the study with the spread of the questionnaire, the characteristics of respondents in this study are known, explaining that respondents set a target number of 111 respondents with a male respondent of 47%, and female respondents of 53%, while respondents from a total of 111, respondents that there were 89% aged between 21-30 years, 7% aged 31-40 years, 3% aged 21 years and 1% aged 40. And based on the level of education 55% undergraduate education, and 45% high school education. This shows that most respondents have a formal undergraduate education. This type and type of education definitely affects the mindset to invest.

Based on employment status it is known that 73% already work as a private employee, 11% work as an entrepreneur, 11 % is still college, and 1% is as an ASN. In

terms of income, it is known that 58% of the income is RRP. 1 million – Rp. 8,000,000, 36% have income less than Rp. 4,000,000, 3% have income of Rp. 8 million – Rp. 12,000,000 and 3% have income above Rp. 12 million.

The questionnaire, distributed via the WhatsApp app, consists of 22 questions. The question distribution of each variable consists of 4 questions for each independent variable X1 (Education), X2 (Employment), X3 (Income), X4 (Age) while for the variable dependent Y (Choose Reksadana as an investment instrument there are 6 questions. So feedback on the answers looked at from respondents was generated Descriptive Analysis through the application Microsoft Excel 2016 using the Data Analyze menu on the Options descriptive Statistics as follows:

Table 1. Question Distribution and Descriptive Analysis by Variables

No	Category	Y	X1	X2	X3	X4
1	Mean	22.586	15.414	14.883	15.523	16.306
2	Median	23	15	15	16	16
3	Maximum	30	20	20	20	20
4	Minimum	15	5	4	8	10
5	Standard Deviation	3.965	2.748	3.389	2.297	2.408

From table 1, it can be briefly explained that for the variable Y (Choosing reksadana as an investment instrument) the highest score of 30 is obtained and the lowest score is 15. Mean(M) was 22,586, Median(Me) was 23, and Standard Deviation (SD) was 3,965. Variable X1 (Education) gets the highest score of 20 and the lowest score is 5. Mean (M) value was 15,414, Median (Me) was 15, and Standard Deviation (SD) was 2,748. The variable X2 (work) gets the highest score of 20 and the lowest score is 4. Mean (M) was 14,883, Median (Me) was 15, and Standard Deviation (SD) was 3,389. Variable X3 (Income) obtained the highest score of 20 and the lowest score is 8. Mean (M) was 15,523, Median (Me) was 16, and Standard Deviation (SD) was 2,497. Variable X4 (Age) gets the highest score of 20 and the lowest point of 10. Mean value (M) was 16,306, Median (Me) was 16 and Standard Deviation (SD) was 2,408.

Table 2. Method of Least Square Regression Equation

Variable	Coefficients	Std Error	t-Statistic	Prob.
C	12.59998	2.768040	4.551950	0.0000
X1	0.398562	0.151036	2.638850	0.0096
X2	0.098642	0.137867	0.715490	0.4759
X3	0.014199	0.196490	0.671730	0.9425
X4	0.132067	0.196607	0.671730	0.5032

$$Y = 12.59998 + 0.3986 (X1) + 0.0986 (X2) + 0.0142 (X3) + 0.132 (X4) + e$$

The regression equation above shows that X1 has a Probability or p Value level below 5% (0.05) of 0.0096, so it can be said to have a positive value and affect significantly. Whereas X2, X3, and X4 results above 5% (0,05), so it can be said to have values that affect Y positively, but not significantly. However, there is also an e where there is a residual (error term) which indicates that there are still other variables that have not been studied and can significantly affect dependent variables. Simply put, the linear regression equation can be interpreted as follows:

If X1 changes by 1 unit, it will affect the Y increase by 0.3986

If X2 changes by 1 unit, then it will affect the Y increase by 0.0986

If X3 changes by 1 unit, it will affect the increase of Y by 0.0142

If X4 changes by 1 unit, it will affect the increase of Y by 0.132.

DISCUSSION

Based on the Results, it is known that the level of education has a significant influence in choosing Reksadana as a Millennial Generation Investment Instrument. The above data shows that the level of education has a positive impact on choosing reksadana as an investment instrument. This view is supported by a study conducted by Puspitasari., (2014). In his research he said that the demographic factors produced the influence between the factors that exist among them is the level of education on the type of investment chosen by the investor, so it can be said that there is an influence among the factors of education level on decision-making.

Based on the results, it is known that Work has a significant influence in choosing Reksadana as a Millennial Generation Investment Instrument. In this hypothesis, based on the research carried out by Puspitasari (2014) whose results reveal that there is an influence of work that is included in the demographic factors that influence the selection of instruments and types of investments by investors.

Based on the results, it is known that Revenue in choosing Reksadana as a Millennial Generation Investment Instrument. This hypothesis is also based on the results of research conducted by Duflo (2002) the conclusion of his research revealed that there is an influence on the income included in the demographic factor has an impact on the choice of type of investment by the investor.

Based on the results, it is known that Age in choosing Reksadana as a Millennial Generation Investment Instrument. Age has a positive value namunt it is not significant in choosing Reksadana as an institution instrument. This hypothesis refers to the results of research conducted by Bhushan (2014) whose results reveal that there is a positive influence of age on the choice of type of investment by investors.

The influence of education level, occupation, income, and age can play a significant role in determining an individual's investment decisions, including their choice of mutual funds as an investment instrument (Baker et al., 2019; Morgan & Long, 2020). Education level can influence investment decisions because individuals with higher education levels may have a greater understanding of financial concepts, allowing them to make more informed decisions. This can lead to a greater likelihood of choosing mutual funds as a way to invest their money, given their relatively lower risk compared to individual stocks or other investment options. Occupation can also influence investment decisions, as individuals with higher-paying jobs may have more disposable income available to invest. These individuals may be more likely to choose mutual funds as a way to diversify their investment portfolios and potentially earn higher returns.

Income level can also be a factor in choosing mutual funds, as individuals with higher incomes may have more money available to invest in these funds (Jiang et al., 2020; Raghunandan & Rajgopal, 2022). Additionally, mutual funds can provide a way for individuals with lower incomes to invest in a diversified portfolio, which may not be possible with individual stocks. Age can also play a role in investment decisions, as individuals closer to retirement age may have a lower risk tolerance and be more likely to choose mutual funds as a way to preserve their wealth. Younger individuals may be more willing to take on riskier investments and therefore be less likely to choose mutual funds as their primary investment option. In conclusion, education level, occupation, income, and age can all influence an individual's decision to choose mutual funds as an instrument of investment (Gurbaxani & Gupte, 2021; Kaur & Bharucha, 2021). It is important to consider these factors when making investment decisions to ensure that you are making informed choices that align with your financial goals and risk tolerance.

4. CONCLUSION

Based on the results of testing in this study, it was concluded that if a person has a higher level of education, then the tendency of a person to be interested in choosing reksadana as

their investment instrument will be greater. And if someone has a job, then it is not necessarily someone interested in choosing reksadana as an investment instrument. And if one has a higher income, then a small one's tendency to prefer cash as an investment instrument. Then if a person is quite mature, then a person's tendency to be interested in choosing reksadana as their investment instrument will be greater. Based on the conclusion, there are some suggestions from researchers aimed at certain parties, namely: For millennials to deepen knowledge about investment, it is more interested to participate in direct investment in reksadana products, so that they are able to plunge into the financial field and also have a strong desire to invest. And for future researchers it is expected to add other variables that are very closely related and related primarily to the investment of reksadana products.

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