

**WHAT DRIVES INVESTMENT DECISIONS? EXAMINING THE ROLES OF
DIGITAL FINANCIAL LITERACY, COGNITIVE ABILITY, AND RISK
TOLERANCE THROUGH INTENTION TO INVEST**

**APA YANG MENDORONG KEPUTUSAN INVESTASI? MENGAJAI PERAN
LITERASI KEUANGAN DIGITAL, KEMAMPUAN KOGNITIF, DAN
TOLERANSI RISIKO MELALUI NIAT BERINVESTASI**

Reza Dwi Fauzhi¹, Maulida Nurul Innayah^{2*}, Herni Justiana Astuti³, Purnadi⁴

Faculty of Economics and Business, Universitas Muhammadiyah Purwokerto, Indonesia^{1,2,3,4}

maulidanurul@ump.ac.id*

ABSTRACT

Investment decision-making has become increasingly important as participation in digital investment platforms continues to grow. This study aims to examine the influence of digital financial literacy, cognitive ability, and risk tolerance on investment decisions, with intention to invest as a mediating variable. Drawing on the Theory of Planned Behavior (TPB) and Prospect Theory, this study employed a quantitative research design using a cross-sectional survey. Data were collected from 151 respondents through purposive sampling and analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM). The results reveal that digital financial literacy and cognitive ability have positive and significant effects on investment decisions, whereas risk tolerance has no significant effect on investment decision. Intention to invest also has a positive and significant effect on investment decisions. Similarly, intention to invest mediated the relationship between digital financial literacy and cognitive ability on investment decisions, but does not to mediate the relationship between risk tolerance and investment decisions. By integrating digital financial literacy, cognitive ability, and risk tolerance within the TPB and Prospect Theory framework, this study provides a better understanding of investment decision-making among regional investors. The findings also offer practical implications for policymakers, financial educators, and financial institutions in designing programs to improve the quality of individual investment decisions.

Keywords: Digital Financial Literacy; Cognitive Ability; Risk Tolerance; Intention to Invest, Investment Decisions

ABSTRAK

Pengambilan keputusan investasi menjadi semakin penting seiring dengan terus meningkatnya partisipasi dalam platform investasi digital. Penelitian ini bertujuan untuk mengkaji pengaruh literasi keuangan digital, kemampuan kognitif, dan toleransi risiko terhadap keputusan investasi, dengan niat berinvestasi sebagai variabel mediasi. Dengan mengacu pada *Theory of Planned Behavior* (TPB) dan *Prospect Theory*, penelitian ini menggunakan desain penelitian kuantitatif melalui survei *cross-sectional*. Data dikumpulkan dari 151 responden menggunakan teknik *purposive sampling* dan dianalisis menggunakan *Partial Least Squares Structural Equation Modeling* (PLS-SEM). Hasil penelitian menunjukkan bahwa literasi keuangan digital dan kemampuan kognitif berpengaruh positif dan signifikan terhadap keputusan investasi, sedangkan toleransi risiko tidak berpengaruh signifikan terhadap keputusan investasi. Niat berinvestasi juga berpengaruh positif dan signifikan terhadap keputusan investasi. Selain itu, niat berinvestasi memediasi hubungan antara literasi keuangan digital dan kemampuan kognitif dengan keputusan investasi, namun tidak memediasi hubungan antara toleransi risiko dan keputusan investasi. Dengan mengintegrasikan literasi keuangan digital, kemampuan kognitif, dan toleransi risiko ke dalam kerangka kerja TPB dan *Prospect Theory*, penelitian ini memberikan pemahaman yang lebih baik mengenai pengambilan keputusan investasi di kalangan investor daerah. Temuan ini juga memberikan implikasi praktis bagi pembuat kebijakan, edukator keuangan, dan lembaga keuangan dalam merancang program untuk meningkatkan kualitas keputusan investasi individu.

Kata kunci: Literasi Keuangan Digital; Kemampuan Kognitif; Toleransi Risiko; Niat Berinvestasi; Keputusan Investasi

INTRODUCTION

As access to digital investment platforms continues to expand,

individuals are increasingly required to make sound investment decisions to achieve long-term financial well-being

and economic stability. However, making appropriate investment decisions remains challenging because investors must evaluate complex financial information, balance potential returns against risks, and cope with uncertain market conditions (Mahmood et al., 2024). Thorough planning in investment decisions enables an individual to make wiser choices while minimizing potential losses (Wahyuni et al., 2023). Not all investment activities yield returns that meet an investor's expectations; therefore, sufficient knowledge and understanding are necessary to prevent investors from making poor investment decisions (Rohani, 2023). Consequently, investment decisions are crucial to consider, as they determine both the potential returns and the level of risk involved.

Nationally, investment participation in Indonesia has experienced remarkable growth across various asset classes, reflecting increasing public interest in wealth accumulation and financial planning. According to the Indonesian Central Securities Depository (KSEI), the number of capital market investors reached 14.84 million by the end of 2024, representing a 22% increase from the previous year, and continued to grow to 22.88 million Single Investor Identification (SID) accounts in 2026 (OJK, 2026) (KSEI, 2024; OJK, 2025b). Similar growth has also been observed in alternative investment instruments. Indonesia recorded 22.11 million cryptocurrency users in 2024 and ranked third globally in the Global Crypto Adoption Index, while public interest in gold investment also increased, as reflected in higher gold sales and more than 3.1 million gold savings account holders (OJK, 2025).

These developments indicate that investment activities are no longer

concentrated in conventional financial markets but have expanded across diverse investment instruments, making investment more accessible to the wider public. However, this rapid expansion also reveals a critical paradox. OJK-BPS (2024.) reported that Indonesia's financial inclusion index reached 75.02%, whereas the financial literacy index remained considerably lower at 65.43%. This gap suggests that although more individuals are participating in investment activities, many still lack adequate financial knowledge to evaluate investment products, understand associated risks, and make sound investment decisions.

At the local level, the Greater Banyumas region has also experienced substantial growth in investment activities. According to OJK (2025), Banyumas recorded approximately 108,000 capital market investors, making it one of the regions with the largest investor base in Central Java. In addition, investment realization reached Rp1.99 trillion in 2023, exceeding the provincial target of Rp1 trillion (ANTARA., 2023). These developments indicate that investment participation in Banyumas continues to increase; however, improving the quantity of investment should also be accompanied by improvements in the quality of investment decisions. Banyumas represents a relevant regional investment market characterized by growing digital investment adoption and diverse investor backgrounds. Despite this development, evidence on investment decision-making in non-metropolitan regions remains limited. Therefore, Banyumas provides an appropriate setting to represent regional investors in Indonesia.

The importance of sound investment decision (ID) is further illustrated by an alleged investment fraud case in Purwokerto in 2026.

According to the Peradi SAI Purwokerto (2026), 42 investors reported estimated losses of approximately Rp8.7 billion, with most victims being retired civil servants and retired military and police personnel. OJK subsequently established a complaint center and initiated an investigation into the alleged violations (OJK., 2026). This case demonstrates that increased participation in investment activities does not necessarily reflect individuals' ability to make sound investment decisions. Access to investment products, financial resources, or prior experience alone does not guarantee that investors can adequately evaluate investment characteristics, potential returns, and associated risks. Therefore, identifying the factors that influence investment decision-making remains essential.

The first factor influencing investment decisions is digital financial literacy (DFL). Digital financial literacy is defined as the combination of knowledge, skills, attitudes, and behaviors required to understand, use, and safely benefit from digital financial services and technologies (OECD, 2024). According to the Theory of Planned Behavior Ajzen (1991), an individual's intention to perform a behavior is determined by attitude toward the behavior, subjective norms, and perceived behavioral control. In the context of investment, digital financial literacy can be regarded as one of these background factors because it enhances individuals' knowledge and understanding of digital financial products and services. Individuals with higher levels of digital financial literacy are better able to evaluate investment opportunities, understand financial products, and assess potential risks, leading to more informed investment decisions (Fatihudin et al., 2026). Empirical evidence generally supports a

positive relationship between digital financial literacy and investment decisions (Kusumahadi & Utami, 2022; Maulana et al., 2025). However, some studies report inconsistent findings, suggesting that knowledge alone may not always translate into better investment decisions, particularly when individuals are influenced by behavioral biases or lack confidence in applying their financial knowledge (Candera et al., 2026).

Another factor influencing investment decisions is cognitive ability (CA), which refers to an individual's capacity to reason, solve problems, process information, and make judgments in complex situations (Gottferdeson, 1994). According to the Theory of Planned Behavior Ajzen (1991), beliefs are influenced by various background factors, including individual characteristics, knowledge, information, and experience. In the investment context, cognitive ability can be seen as an individual characteristic that supports the processing and evaluation of financial information. Consequently, individuals with stronger cognitive abilities are expected to make more rational investment decisions because they are better able to process financial information (Hidayat et al., 2024). Previous studies generally report a positive relationship between cognitive ability and investment decisions (Ahmad, 2024; Akhter & Hoque, 2022; Maulana et al., 2025). However, conversely, the influence of cognitive ability is more related to the level of error in decision-making, which can bias the interpretation of changes in risk preferences (Ostrovsky et al., 2022).

Risk tolerance (RT) reflects an investor's willingness to accept uncertainty and potential losses when making investment decisions (Grable et al., 2024). Prospect Theory explains that

individuals evaluate potential gains and losses differently, leading to variations in investment decisions under risky conditions (Kahneman & Tversky, 1979). Previous studies generally found that investors with higher risk tolerance tend to make more active investment decisions (Anwar & Siregar, 2025; Lamichhane & Simkhada, 2024). Nevertheless, some studies reported that risk tolerance does not significantly influence investment decisions, indicating inconsistent empirical findings (Baihaqqi & Prajawati, 2023).

Previous studies have identified investment experience and risk tolerance as important determinants of investment decision-making (Anwar & Siregar, 2025). However, this study did not include investment experience because its role is to be represented by digital financial literacy. This study already covers three important aspects: first, digital financial literacy encompasses knowledge; second, cognitive ability encompasses thinking skills; and third, risk tolerance encompasses psychological aspects. In the context of rapidly expanding digital financial services, digital financial literacy is considered more relevant than investment experience because investment knowledge and skills can now be acquired through digital platforms, online financial education, and fintech applications rather than solely through accumulated investment experience. Therefore, this study adopts digital financial literacy as a more appropriate construct for explaining investment decision-making in the digital era while incorporating intention to invest as the underlying behavioral mechanism that links individual capabilities to actual investment decisions.

Although digital financial literacy, cognitive ability, and risk tolerance are

important determinants, their influence on investment decisions may operate indirectly through intention to invest. According to the Theory of Planned Behavior Ajzen (1991), intention represents an individual's readiness to perform a particular behavior and serves as the most immediate predictor of actual behavior. Accordingly, individuals with stronger digital financial literacy, higher cognitive ability, and greater risk tolerance are expected to develop stronger intention to invest, which subsequently lead to investment decisions. Previous studies also confirm the mediating role of investment intention in explaining financial behavior (Besri et al., 2023).

Despite the growing body of literature addressing the variables of digital financial literacy, cognitive ability, and risk tolerance, several research gaps remain. Many studies examine these variables separately (Kristian & Setyawan, 2024; moradzadeh et al., 2022; Sari et al., 2024). Studies that integrate digital financial literacy, cognitive abilities, and risk tolerance into a single framework to examine their impact on investment decisions in Banyumas Regency remain limited. Moreover, the mediating role of intention to invest has received limited empirical investigation (Anwar & Siregar, 2025; Maulana et al., 2025), particularly in regional contexts such as Banyumas Regency. Therefore, a more comprehensive framework is needed to explain how financial capability, cognitive factors, and behavioral intention jointly shape investment decisions.

Accordingly, this study examines the influence of digital financial literacy, cognitive ability, and risk tolerance on investment decisions through the mediating role of intention to invest among individuals in Banyumas

Regency. This study contributes to the literature by integrating financial capability, cognitive, and behavioral perspectives into a single framework for explaining investment decision-making. Practically, the findings are expected to assist policymakers, financial educators, and financial institutions in designing strategies to improve the quality of individual investment decisions.

LITERATURE REVIEW

Theory of Planned Behavior (TPB)

The Theory of Planned Behavior (TPB) proposed by Ajzen (1991), posits that an individual's behavior is primarily determined by behavioral intention, which is shaped by three key components: attitude toward the behavior, subjective norm, and perceived behavioral control (PBC). Attitude refers to an individual's positive or negative evaluation of performing a behavior, subjective norm reflects perceived social pressure from important others, and PBC represents the perceived capability, knowledge, and resources required to perform the behavior successfully. Ajzen (1991) further explains that background factors, such as knowledge, information, and individual characteristics, do not directly determine behavior but influence it through these three components, particularly by strengthening perceived behavioral control. In the investment context, digital financial literacy enhances investors' knowledge of digital financial products, investment opportunities, and associated risks, while cognitive ability improves their capacity to process financial information, compare investment alternatives, and make rational judgments. These capabilities strengthen perceived behavioral control by increasing investors' confidence in their ability to invest effectively. At the same time, a better understanding of

investment opportunities can foster a more favorable attitude toward investing, while social influences from family, peers, and the surrounding environment may contribute to subjective norms that encourage investment participation. Through these mechanisms, digital financial literacy and cognitive ability are expected to strengthen intention to invest, which subsequently increases the likelihood of making actual investment decisions. Therefore, TPB provides a comprehensive theoretical foundation for explaining both the direct influence of digital financial literacy and cognitive ability on investment decisions and the mediating role of intention to invest in these relationships (Rahardin et al., 2026; Zaen et al., 2024).

Prospect Theory

Prospect Theory, proposed by Kahneman & Tversky (1979), explains that individuals evaluate potential gains and losses differently when making decisions under uncertainty. Rather than acting as fully rational decision-makers, individuals tend to exhibit loss aversion, meaning that potential losses are perceived as more significant than equivalent gains. In the investment context, this theory explains that investors' willingness to accept uncertainty is reflected in their level of risk tolerance, which influences how they evaluate risky investment opportunities and make financial decisions (Grable et al., 2024). Therefore, Prospect Theory provides a relevant theoretical foundation for explaining the relationship between risk tolerance and investment decisions.

Digital Financial Literacy and Investment Decision

Ajzen (1991) It is explained that perceived behavioral control not only

influences intention but can also directly predict behavior when that behavior requires specific skills and resources. Investment decisions on digital platforms are behaviors demanding high levels of skill; consequently, individuals with strong digital financial literacy possess greater actual and perceived control in selecting instruments, evaluating transaction costs, and avoiding illegal investment offers. This situation fosters more sound investment decisions. Digital financial literacy is defined as the combination of knowledge, skills, attitudes, and behaviors required to understand, use, and safely benefit from digital financial services and technologies (OECD, 2024). Research findings indicate that digital financial literacy has a positive effect and serves as both a direct determinant and a mediating variable in the financial decision process (Furinto et al., 2023; Kumar et al., 2023; Pariyanti et al., 2025). Improving digital financial literacy is crucial for empowering millennials to make responsible investment choices, thereby contributing to better financial outcomes and sustainable wealth accumulation (Fatihudin et al., 2026). Therefore, digital financial literacy is expected to have a positive influence on investment decisions.

H1: Digital financial literacy has a positive influence on investment decision.

Cognitive Ability and Investment Decision

Within the framework of the TPB, cognitive ability serves as an internal resource that reinforces control beliefs (Ajzen, 1991). Individuals with high reasoning and information-processing capacities are able to analyze complex financial information, compare risks and returns, and reduce reliance on mere

intuition, thereby leading to more rational and calculated investment decisions. Another factor influencing investment decisions is cognitive ability (CA), which refers to an individual's capacity to reason, solve problems, process information, and make judgments in complex situations (Gottferdeson, 1994). The finding by (Bai, 2023; Maulana et al., 2025; moradzadeh et al., 2022) that digital financial literacy and cognitive ability positively and significantly effect on investment decisions. Ahmad (2024) demonstrated that high cognitive ability can reduce the influence of heuristic biases in investment management activities. Cognitive ability is expected to have a positive influence on investment decisions.

H2: Cognitive ability has a positive influence on investment decision.

Risk Tolerance and Investment Decision

Based on Prospect Theory (Kahneman & Tversky, 1979), individuals with a lower degree of loss aversion reflected in higher risk tolerance do not overweight potential losses, and are thus more willing to take positions in instruments with high expected returns. Risk tolerance therefore determines an individual's boldness and decisiveness in executing investment decisions. Risk tolerance (RT) reflects an investor's willingness to accept uncertainty and potential losses when making investment decisions (Grable et al., 2024). Consequently, they tend to make more active investment decisions than individuals with lower risk tolerance. Adiputra (2021; Hendarto et al., 2021; Wahyuni et al., 2023) revealed that risk tolerance has a positive effect on investment decisions. Risk tolerance is expected to have a positive influence on investment decisions.

H3: Risk tolerance has a positive effect on investment decision.

Intention To Invest and Investment Decision

A person's desire to begin investing reflects their readiness and willingness to engage in that activity. Ajzen (1991), states that intention is the most direct factor in predicting actual action. (Akhter & Hoque, 2022; Yulandeano & Rita, 2023; Yuliani et al., 2024) find the intention to invest has a positive influence on decision. Kholifah et al. (2025) also showed that intention acts as a mediator in the relationship between behavioral factors and financial behavior. Thus, the intention to invest is expected to have a positive influence on an individual's investment decisions.

H4: Intention to invest has a positive effect on investment decision.

Digital Financial Literacy and Intention to Invest

Based on the Theory of Planned Behavior Ajzen (1991), perceived behavioral control describes an individual's belief in their ability to perform a certain behavior. In the context of investing, digital financial literacy enhances an individual's ability to understand and utilize digital financial information, thereby increasing the intention to invest. (Aisa, 2021; Karundeng et al., 2024; murini et al., 2023) state that the relationship between financial literacy has a positive effect on intention to invest. Therefore, digital financial literacy is expected to have a positive influence on the intention to invest.

H5: Digital financial literacy has a positive effect on the intention to invest.

Cognitive Abilities and Intention to Invest

Theory of Planned Behavior as explained by Ajzen (1991), explains that perceived behavioral control influences the formation of behavioral intentions. Individuals with high cognitive abilities have a greater capacity to process information, understand risks, and evaluate investment opportunities. These abilities enhance an individual's confidence in their ability to engage in investment activities, thereby fostering the formation of intention to invest. Akhter & Hoque (2022) found that financial cognitive abilities significantly increase investors' behavioral intentions to participate in the stock market.

H6: Cognitive ability has a positive effect on intention to invest.

Risk Tolerance and Intention to Invest

According to Prospect Theory, individuals evaluate uncertain outcomes based on perceived gains and losses relative to a reference point rather than on objective outcomes alone (Kahneman & Tversky, 1979). As a result, individuals develop different attitudes toward risk, which are reflected in their level of risk tolerance. Risk tolerance represents an individual's psychological willingness to accept uncertainty and potential financial losses when making investment decisions (Grable & Lytton, 2000). Khan et al., (2022) found that risk tolerance positively influences investment intention. Similarly, (Dan & Handoyo, 2021; Rahmayanti et al., 2025). Therefore, risk tolerance is expected to have a positive influence on intention to invest.

H7: Risk tolerance has a positive effect on intention to invest.

Digital Financial Literacy, Intention to Invest, and Investment Decisions

According to the Theory of Planned Behavior Ajzen (1991), individuals with higher digital financial

literacy have greater confidence and capability to evaluate investment opportunities and utilize digital financial services effectively. These capabilities strengthen perceived behavioral control, leading to stronger intention to invest, which subsequently increases the likelihood of making actual investment decisions. This argument is supported by Ortega & Pramita (2023) and Nababan & Zaenuddin (2024) who found that investment intention mediates the relationship between financial literacy and investment decisions. Therefore, intention to invest is expected to mediate the relationship between digital financial literacy and investment decisions.

H8: Intention to invest mediates the relationship between digital financial literacy and investment decisions.

Cognitive Ability, Intention to Invest, and Investment Decisions.

According to the Theory of Planned Behavior Ajzen (1991), individuals with stronger cognitive abilities are better able to process financial information, evaluate investment alternatives, and assess potential risks, thereby enhancing perceived behavioral control and strengthening their intention to invest. Stronger investment intention subsequently increases the likelihood of making actual investment decisions. This argument is supported by Akhter & Hoque (2022), who found that financial cognitive ability strengthens investment intention, while Hommel et al., (2023) showed that individuals with higher cognitive abilities develop more rational investment intentions. Besri et al., (2023) reported that financial capabilities are more likely to influence investment decisions through enhanced intention to invest. Therefore, intention to invest is expected to mediate the

relationship between cognitive ability and investment decisions.

H9: Intention to invest mediates the relationship between cognitive ability and investment decisions.

Risk Tolerance, Intention to Invest, and Investment Decisions

Based on prospect theory by Kahneman & Tversky (1979), individuals with higher risk tolerance are more willing to accept uncertainty in pursuit of higher expected returns, making them more likely to develop stronger intention to invest. Consistent with the Theory of Planned Behavior (Ajzen, 1991), stronger investment intention increases the likelihood of making actual investment decisions. Empirical evidence supports this relationship, with Hussain & Rasheed (2022) showing that risk preferences influence investment intention, while Haqqani et al., (2025) found that risk aversion plays an important role in shaping investment intentions in both short and longterm investment contexts. Therefore, intention to invest is expected to mediate the relationship between risk tolerance and investment decisions.

H10: Intention to invest mediates the relationship between risk tolerance and investment decision

Based on the literature review above, the conceptual framework proposed in this study as follow (see Figure 1).

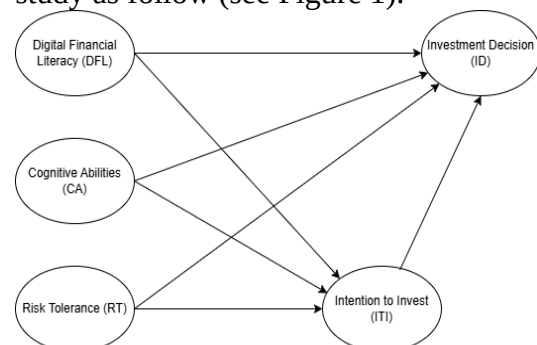


Figure 1. Conceptual Framework

RESEARCH METHODS

Research Design, Population and Sample

This study employs a survey approach with a cross-sectional design to analyse the factors influencing investment decisions. The study population consists of individuals who have invested and reside in Banyumas. Given the lack of a clear sampling framework regarding individual financial behavior, this study used a purposive sampling. Respondents were selected based on two main criteria: having previously made investments and residing in Banyumas Regency. These criteria aim to ensure that respondents have an adequate understanding of their financial conditions and management. Data were collected through the distribution of an online questionnaire to facilitate reaching respondents throughout Banyumas Regency.

Sample size adequacy was evaluated based on the requirements of Partial Least Squares Structural

Equation Modeling (PLS-SEM), which places greater emphasis on model complexity and statistical power than on population size (Hair & Alamer, 2022). For a more rigorous evaluation, an a priori statistical power analysis (GPower) was conducted based on (Cohen, 1991). Assuming a moderate effect size ($f^2 = 0.15$), a significance level of 0.05, a power of 0.80, and four predictors, the minimum sample size required was approximately 85 respondents.

Measurement Of Variables

This study uses three variables: digital financial literacy (X1), cognitive ability (X2), and risk tolerance (X3). investment decisions (Y). And intention to invest (M). These variables are measured using indicators, which are translated into instrument items in the form of questionnaire statements. The instrument items used to create the research questionnaire are shown below:

Table 1. Variable Measurement

Variable	Instrument	Measurement item
Digital Financial Literacy (Bhat et al., 2025)	DFL 1	I have an understanding of digital financial products and services such as e-credit, e-debit, e-money, mobile/internet banking, e-wallet, etc
	DFL 2	I am aware of digital payment methods such as Brimo, Livin, Dana, Ovo, Gopay, Shopeepay etc
	DFL 3	I have knowledge about online trading of financial securities
	DFL 4	I know how to protect myself against risks such as phishing, spyware and other risks
	DFL 5	I know about digital lending and online insurance products
	DFL 6	I have an understanding of customer rights and protection vis-a-vis the digital transaction vulnerabilities
	DFL 7	I never share username, password, PIN and OTP with anyone
	DFL 8	I prefer digital financial transactions over conventional ones
	DFL 9	I take effective steps to protect myself against risks such as phishing, spyware and other digital risks
	DFL 10	Digital financial service providers charge more fees to provide digital financial services

	DFL 11	I have the capability to use the best of my financial and digital knowledge and skills while I deal with digital financial services
	DFL 12	I can choose right digital financial service providers
	DFL 13	I can decide the right digital financial products and services that help me in accomplishing financial goals
	DFL 14	I feel satisfied with the completion of digital financial service transactions
Cognitive Abilities (Ullah, 2025)	CA 1	High-yield investments tend to be very risky
	CA 2	If prices rise rapidly, money held in a savings account could lose most of its value.
	CA 3	High inflation means the cost of living is rising rapidly.
	CA 4	I understand the costs of buying on credit.
	CA 5	I am saving for retirement.
	CA 6	I have some money set aside for emergencies.
	CA 7	I am satisfied with my current financial situation.
	CA 8	I make sure that every time I receive my salary/pocket money, I save some.
Risk Tolerance (Utami et al., 2025)	RT 1	I use income for speculative investments
	RT 2	I choose high-risk investments to get a high rate of return
	RT 3	I believe that risk is not always suffering a Loss
	RT 4	I am willing to take it if the investment fails
Intention to Invest (Putri et al., 2023)	ITI 1	I am eager to invest in various categories within the capital markets and anticipate their potential returns.
	ITI 2	I plan to participate in investment training seminars or workshops to prepare for my future investments in the capital markets.
	ITI 3	I actively seek information about opportunities to invest my funds in capital market instruments now or in the future.
	ITI 4	I will allocate funds for investment in the capital markets.
	TI 5	I have a strong intention to make investment decisions in the capital markets.
Investment Decision (Putri et al., 2023)	ID 1	I am interested in assets that offer a high rate of return
	ID 2	I looked for information from various sources to find out the rate of return I would receive
	ID 3	Before investing, I will determine all the chances I will face
	ID 4	understand how to minimize investment risk.
	ID 5	I invest to meet my future needs

Data Analysis Techniques

This study employs a Partial Least Squares Structural Equation Modeling (PLS-SEM) approach using SmartPLS software. This method was chosen because it is capable of analyzing relationships among latent constructs in complex research models, accommodates mediating variables, and

does not require a normal data distribution (Hair et al., 2022). Data analysis was conducted in two main stages. The first stage involved evaluating the measurement model to ensure the validity and reliability of the research constructs (Hair et al., 2022). This evaluation included testing the reliability of the indicators using outer

loading values, internal consistency using Cronbach's Alpha and Composite Reliability, convergent validity using the Average Variance Extracted (AVE) value, and discriminant validity using the Fornell-Larcker Criterion. The second stage involves the evaluation of the structural model, which aims to test the relationships among latent variables in the research model (Hair et al., 2022). This testing is conducted by analyzing path coefficients, the coefficient of determination (R^2), effect size (f^2), and predictive relevance (Q^2). Next, the significance of the relationships between variables is tested using the bootstrapping technique to obtain t-statistics and p-values used in hypothesis testing. In addition, an indirect effect test is also conducted to examine the mediating role of intention to invest in the relationship between digital financial literacy, cognitive, abilities and risk tolerance on investment decision

RESULTS AND DISCUSSIONS

Result

Respondent's Profile

This study involved 151 respondents who are investors in Banyumas Regency. The respondents' characteristics including age, education level, occupation, and place of residence are summarized in Table 2. The majority of respondents were in the young, productive age group of 18–24 years old, total 86 people (56.9%). This demographic profile suggests that respondents are relatively new participants in the investment market who are in the process of developing their financial knowledge and investment experience. Consequently, their investment decisions are likely to depend more on their ability to understand financial information and evaluate investment opportunities than on their willingness to take risks.

Students represented the largest occupational group in this study. This may reflect the increasing interest of younger generations in investing, supported by the widespread availability of digital investment applications, educational content, and affordable investment products that are accessible even with limited financial resources.

Table 2. Respondent Profile

Description	Type	Frequency	%
Age	18-24 Years	86	56,9
	25-34 Years	48	31,8
	35-44 Years	14	9,3
	>45 Years	3	2
Highest Level of Education	High school Diploma	75	49,7
	Bachelor's Degree	12	7,9
	Master's Degree	62	41,3
	Master's Degree	2	1,3
Occupation	Private-sector employee	47	31,1
	Civil servant	17	11,2
	Entrepreneur	23	15,2
	College student	54	35,8
	Other	10	6,6
Income	<Rp. 1.000.000		
	Rp. 1.000.000 –	19	12,6
	3.000.000	66	43,7
	Rp. 4.000.000 –	42	27,8
	5.000.000	24	15,9
	>Rp. 5.000.000		
Investment experience	<1 Year	54	35,8
	1-3 Year	78	51,6
	>3 Year	19	12,6
Instrument	Deposits		
	E-Wallets	46	29,3
	Gold	37	23,6
	Stocks	69	43,9
	Bonds	80	51
	Mutual funds	16	10,2
	cryptocurrencies	17	10,8
		62	39,5

Assessment of Measurement Model

The measurement model was assessed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS 3.0 to evaluate the validity and reliability of the constructs. The

assessment included convergent validity, discriminant validity, and construct reliability (Hair et al., 2022).

Convergent Validity

Convergent validity was first assessed by examining the outer loading values of each indicator. According to Hair et al., (2022), indicator loadings above 0.70 are preferred, although loadings between 0.60 and 0.70 may be retained when the construct demonstrates satisfactory reliability and convergent validity. In the initial outer loading assessment, several indicators failed to meet the recommended thresholds; consequently, some indicators were removed from the model in the subsequent analysis. According to According to Hair et al., (2022), an AVE value greater than 0.50 indicates that a construct explains more than half of the variance of its indicators.

Table 3. Validity and Reliability Test Results

Variable	Indicator	Outerloading
Digital Financial literacy	DFL1	0.881
	DFL3	0.748
	DFL4	0.695
	DFL12	0.804
	DFL13	0.809
Cognitive abilities	CA1	0.829
	CA2	0.710
	CA3	0.779
	CA4	0.806
	RT2	0.727
	RT3	0.884
	RT4	0.835
Intention to invest	ITI1	0.768
	ITI2	0.603
	ITI3	0.801
	ITI4	0.817
	ITI5	0.808
Investment decision	ID1	0.810
	ID4	0.784
	ID5	0.817

In Table 3, several indicators did not meet the recommended thresholds and were consequently excluded from the model. The removed indicators comprised nine items from the Digital Financial Literacy construct (DFL2, DFL5–DFL11, and DFL14), four items from Cognitive Ability (CA5–CA8), one item from Risk Tolerance (RT1), and two items from Investment Decision (ID2 and ID3).

Discriminant Validity

The third column in the table presents the outer loading results for the indicators used in the HTMT and Fornell-Larcker assessments, ensuring that the AVE values exceed the correlations with other variables; consequently, certain indicators required removal to meet this criterion.

Table 4. HTMT

Variable	DFL	CA	RT	ITI	ID
DFL					
CA	0.778				
RT	0.780	0.804			
ITI	0.895	0.812	0.800		
ID	0.870	0.810	0.637	0.830	

Based on the HTMT test results, all values between variables fall below the 0.90 threshold, thereby meeting the discriminant validity criteria (Hair et al., 2022).

Table 5. Fornell-Larcker Criterion

Variable	DFL	CA	RT	ID	ITI
DFL	0.773				
CA	0.638	0.782			
RT	0.630	0.634	0.818		
ID	0.687	0.623	0.500	0.804	
ITI	0.743	0.672	0.645	0.654	0.763

Discriminant validity was assessed using the Fornell-Larcker criterion, which requires the square root of each construct's AVE to be greater than its correlation with other constructs (Fornell & Larcker, 1981), this ensures that each latent construct is empirically distinct from the others. According to Hair et al., (2022), meeting this requirement indicates that each construct makes a distinct explanatory contribution and

does not overlap with other constructs in the model.

Construct Reliability

Construct reliability was evaluated through Cronbach's Alpha and Composite Reliability, with values above 0.70 indicating satisfactory internal consistency (Hair et al., 2022). Table 6 shows that all constructs demonstrate satisfactory internal consistency reliability. Likewise, the Composite Reliability (CR) which are also above the recommended cut-off value of 0.70.

Table 6. Construct Reliability

Variable	Cronbach's Alpha	Composite Reliability	AVE
DFL	0.831	0.881	0.597
CA	0.789	0.801	0.612
RT	0.755	0.857	0.668
ITI	0.819	0.874	0.583
ID	0.727	0.846	0.646

These findings indicate that all constructs possess good internal consistency and reliability. Therefore, the measurement model meets the reliability requirements, and the indicators are considered reliable for measuring their respective latent constructs.

Structural Model

Coefficient of Determination

An evaluation of the structural model was conducted to analyze the causal relationships among the research constructs. The adjusted R-squared values indicate the extent to which the predictor variables included in the model explain these dependent variables (Demir & Uşak, 2025). Referring to the criteria established by Hair et al., (2022), R-squared values are categorized as strong (≥ 0.75), moderate (≥ 0.50), or weak (≥ 0.25).

Table 7. R square

Construct	R-Square	Adjusted R-Square
ID (Y)	0.617	0.536
ITI (M)	0.637	0.630

Based on results presented in Table 7, indicates that the variables Digital Financial Literacy, Cognitive Ability, and Risk Tolerance collectively explain 63% of the variance in Intention to invest. Similarly, the adjusted R-squared value for the Investment Decision (ID) variable is 0.536, which is also categorized as moderate. This implies that the combined contribution of Digital Financial Literacy, Cognitive Ability, Risk Tolerance, and Investment Intent can explain 53,6% of the variance in investment decisions.

Effect Size

Effect size (f^2) tests were conducted to determine the magnitude of the influence of each exogenous variable on the endogenous variable in the research model. According to Hair et al., (2022), an f^2 value of 0.02 indicates a small effect, 0.15 indicates a medium effect, and 0.35 indicates a large effect.

Tabel 8. Effect Size Assessment

Relationship	F^2	Effect size
DFL $\rightarrow$ ID	0.131	Small
CA $\rightarrow$ ID	0.067	Small
RT $\rightarrow$ ID	0.003	No effect
ITI $\rightarrow$ ID	0.042	Small
DFL $\rightarrow$ ITI	0.293	Medium
CA $\rightarrow$ ITI	0.092	Small
RT $\rightarrow$ ITI	0.053	Small

The analysis results show that the DFL variable is the predictor with the strongest contribution in this model. On the other hand, the relationship between the RT and ID variables yields a value below the minimum threshold, concluding that the RT variable has no practical effect in explaining the variance in the ID variable.

Predictive relevance

Predictive relevance is used to measure how well a structural model can predict data not used in the estimation (out-of-sample predictive power) for endogenous variables. According to Hair et al. (2022), the evaluation of the

predictive relevance value Q^2 is conducted using a blindfolding procedure to assess the predictive ability of the structural model (out-of-sample predictive power). A structural model is considered to have predictive relevance if the resulting Q^2 value is above 0. Furthermore, Hair et al., (2022) classify the level of predictive accuracy into three categories: 0.02 for the low category, 0.15 for the moderate category, and 0.35 for the high category.

Table 9. Predictive Relevance Assessment

Variable	Q^2	Interpretation
Investment decision (Y)	0.330	Medium
Intention to invest (M)	0.356	Large

Based on Table 9, the results of the predictive relevance (Q^2) test using the blindfolding procedure show that the Investment Decision Medium category and the Intention to Invest demonstrates that the structural model in this study has strong predictive relevance.

Model Fit Assessment

Model fit assessment tests were conducted to evaluate how well the conceptual model reflects the empirical data. Based on the guidelines from Henseler et al., (2016), a model is considered to have a good level of fit if the SRMR value is below the threshold of 0.08. Based on Table 8, the SRMR value obtained is 0.075, which meets the feasibility test criterion of being below 0.08.

Table 10. Model Fit Assessment

Indicator	Value	Recommended Threshold	Interpretation
SRMR	0.075	≤ 0.08	Fit

Result Of Hypothesis Testing

The study is considered significant if the P-value is less than 0.05. The relationship is considered insignificant if

the P-value exceeds 0.05. All partnerships are said to show a beneficial trajectory. If the path coefficient is positive but the direction of the path is negative, the overall direction is negative.

Table 11. Direct and Indirect Hypothesis Test Results

Hypothesis	(β)	TStatistic	p-value	Description
H1	0.483	5.237	0.000	Supported
H2	0.212	2.440	0.003	Supported
H3	-0.054	0.556	0.289	Not supported
H4	0.219	1.984	0.027	Supported
H5	0.458	5.286	0.000	Supported
H6	0.256	2.780	0.002	Supported
H7	0.193	2.186	0.009	Supported
H8	0.100	1.697	0.045	Partial mediation
H9	0.056	1.698	0.047	Partial mediation
H10	0.042	1.402	0.089	Not supported

The hypothesis testing results indicate that Digital Financial Literacy (DFL) and Cognitive ability (CA) has a significant positive effect on Investment Decision. In contrast, Risk Tolerance (RT) does not significantly influence Investment Decision. Furthermore, Intention to invest (ITI) has a significant positive effect on Investment Decision (ID). Regarding the determinants of Intention to invest (ITI), Digital Financial Literacy (DFL), Cognitive Ability (CA), and Risk Tolerance (RT) all have significant positive effects. The mediation analysis shows significantly mediates the relationship between Digital Financial Literacy (DFL) and Cognitive Ability (CA) to Investment Decision (ID). However, Intention to invest (ITI) does not mediate the relationship between Risk Tolerance (RT) and Investment Decision (ID), indicating that intention to invest does not serve as an intermediary mechanism through which risk tolerance influences investment decisions.

Discussion

Digital Financial Literacy and Investment Decision

The first hypothesis suggests that digital financial literacy has a positive effect on investment decisions, which is supported by the findings. This finding suggests that individuals with higher levels of digital financial literacy are more capable of understanding financial information, evaluating digital investment products, identifying potential investment risks, and utilizing digital investment platforms effectively. These competencies enable investors to make more informed and rational investment decisions while reducing uncertainty during the decision-making process. From the perspective of the Theory of Planned Behavior (Ajzen, 1991), digital financial literacy strengthens individual perceived behavioral control by enhancing their confidence in managing investment-related information and financial technology. As investors perceive greater control over investment activities, they are more likely to translate their financial knowledge into actual investment decisions. These results support previous studies (Kumar et al., 2023; Furinto et al., 2023; Eka Pariyanti, 2025) which state that digital financial literacy has a positive effect on investment decisions. This finding aligns with Anatasya & Innayah (2025) who found that financial literacy has a positive effect on financial behavior because individuals with good financial understanding tend to make wiser and more planned financial decisions.

Cognitive Ability and Investment Decisions

The second hypothesis suggests that cognitive ability has a positive effect on investment decisions, is supported by the Theory of Planned Behavior Ajzen (1991), cognitive ability is the fundamental foundation of Perceived Behavioral Control (PBC). Individuals

with high cognitive capacity perceive fewer barriers to investing. Individuals with high cognitive ability find it easier to understand financial information, analyse investment risks, and consider various alternatives before making a decision. This ability enhances an individual's confidence that they are capable of managing their investment activities effectively. In other words, the better a person's ability to understand, analyse, and evaluate financial information, the better the resulting investment decisions will be. These findings indicate that logical and analytical thinking abilities are important factors in the investment decision-making process. The results of this study are consistent with previous research (Maulana et al., 2025; Moradzadeh et al., 2022; Bai, 2023) which found that cognitive abilities influence investment decisions.

Risk Tolerance and Investment Decisions

The third hypothesis, which posits that risk tolerance has a positive effect on investment decisions, was not supported. This finding indicates that whether respondents have a high or low risk tolerance does not directly determine the investment decisions they make. Under these conditions, investment decisions are likely influenced more by knowledge, information, and ease of access to investment opportunities than by the level of risk tolerance. Furthermore, the development of increasingly user-friendly digital investment platforms allows investors to continue investing despite having varying levels of risk tolerance. According to Prospect Theory by Kahneman & Tversky (1979), individuals should evaluate decisions based on potential losses. Therefore, risk perception is not necessarily the primary

factor in determining investment decisions. These findings are consistent with the study by Baihaqqi & Prajawati (2023) which found that risk tolerance does not have a significant influence on investment decisions.

Intention To Invest and Investment Decisions

The fourth hypothesis, which posited that intention to invest has a positive effect on investment decisions, is supported. An individual with a strong intention to perform an action is more likely to realize it in tangible behavior. This finding indicates that the stronger an individual's desire to invest, the greater the likelihood that they will engage in actual investment activities. When an individual has a high interest in seeking investment information, participating in investment training, and planning fund allocation, the opportunity to realize the investment becomes greater. This finding represents Theory of Planned Behavior Ajzen (1991), which asserts that intention is the closest and most direct predictor of actual behavior. This result supports the Theory of Planned Behavior, which states that intention is the most immediate factor influencing an individual's actual behavior. This finding is also in line with the research of (Yuliani et al., 2024; Yulandreano & Rita, 2023).

Digital Financial Literacy and Intention to Invest

The fifth hypothesis, which proposed that digital financial literacy has a positive effect on intention to invest, is supported. The better an individual's understanding of digital financial services and products, the greater their desire to engage in investment activities. Digital financial literacy helps individuals understand available investment opportunities,

thereby reducing hesitation in starting to invest. Furthermore, an understanding of financial technology also increases an individual's self-confidence in using investment applications and other digital financial platforms. These conditions ultimately foster the emergence of intention to invest. Within the framework of the Theory of Planned Behavior Ajzen (1991), this relationship is explicitly explained through the mechanism of Perceived Behavioral Control (PBC). Digital financial literacy enhances PBC because individuals feel they possess the technical competence and knowledge to operate investment platforms. The results of this study support the research of Aisa (2021), Karundeng et al., (2024) and murini et al., (2023) which found that financial literacy has a positive effect on intention to invest.

Cognitive Ability and Intention to Invest

The sixth hypothesis, which stated that cognitive ability has a positive effect on intention to invest, is supported. Individuals who can effectively understand investment information will feel more confident about entering the investment world. Individuals with strong cognitive abilities tend to be better at comprehending investment information and assessing investment opportunities objectively. This ability makes them more confident in the decisions they will make, thus encouraging the emergence of intention to invest. The better an individual's capacity to analyze information and consider various investment alternatives, the greater their tendency to plan for future investments. Within the Theory of Planned Behavior Ajzen (1991), cognitive ability can also be explained through the concept of perceived behavioral control. This result supports

the research of Akhter & Hoque (2022) Dan Mushafiq et al., (2023) which showed that cognitive ability influences intention to invest.

Risk Tolerance and Intention to Invest

The seventh hypothesis, which posited that risk tolerance has a positive effect on intention to invest, is supported. Individuals with high risk tolerance tend to view risk as an opportunity for greater profits, whereas those with low risk tolerance focus more on the potential for losses. This finding indicates that individuals who are more prepared to face uncertainty and potential losses tend to have a greater desire to invest. Therefore, risk tolerance plays a role in shaping an individual's psychological readiness to enter the investment world. Within Prospect Theory Kahneman & Tversky (1979), which explains that individuals have different responses to risk and potential losses, this finding is contextualized. This result supports the research of (Khan Rahies et al., 2022; Rahmayanti et al., 2025).

Mediating Effect of Intention to Invest on Digital Financial Literacy and Investment Decisions

The mediation analysis shows that the indirect effect of digital financial literacy on investment decisions through intention to invest is significant, supporting the eighth hypothesis. Since the direct effect of digital financial literacy on investment decisions also remains significant, the relationship is classified as partial mediation. This finding supports the Theory of Planned Behavior (Ajzen, 1991), which views intention as a key predictor of behavior, while also suggesting that in digital financial contexts, individuals with higher digital financial literacy can make investment decisions more directly due to easy access to information, intuitive

digital platforms, and real-time decision support. These findings are consistent with (Nababan & Zaenuddin, 2024; Ortega & Pramita, 2023), who also found a mediating role of intention. The results further imply that digital investment platforms should strengthen both intention-building strategies and functional digital financial literacy to encourage more effective investment decisions.

Mediating Effect of Intention to Invest on Cognitive Ability and Investment Decisions

The results indicate that the indirect effect of cognitive ability on investment decisions through intention to invest is significant, supporting the ninth hypothesis. The mediation analysis shows partial mediation, meaning that cognitive ability continues to have a significant direct effect on investment decisions even after intention to invest is included in the model. This finding is consistent with the Theory of Planned Behavior Ajzen (1991), which suggests that stronger cognitive ability enhances perceived behavioral control, leading individuals to develop stronger investment intentions that are translated into actual investment decisions. These results are supported by Akhter & Hoque (2022) who showed that financial cognitive ability influences the relationship between attitudes and intentions to participate in the capital market, as well as a study by Hommel et al., (2023) who emphasized that better cognitive abilities enable individuals to form more rational investment intentions through comprehensive evaluation of various alternatives.

Mediating Effect of Intention to Invest on Risk Tolerance and Investment Decision

The tenth hypothesis, which proposed that intention to invest mediates the relationship between risk tolerance and investment decisions, is not supported. According to Prospect Theory Kahneman & Tversky (1979), individuals evaluate investment choices based on perceived gains and losses under uncertainty. Although individuals with higher risk tolerance are generally more willing to face uncertainty, this tendency does not necessarily translate into investment decisions through intention to invest. The findings suggest that respondents' investment decisions are influenced more by financial knowledge and cognitive evaluation than by their willingness to take risks. This result is consistent with Baihaqqi & Prajawati (2023) who reported that risk tolerance does not have a significant effect on investment decisions, suggesting that investors may rely more on financial literacy and other behavioral factors than on their level of risk tolerance when making investment decisions. Therefore, in the context of this study, intention to invest is unable to function as the psychological mechanism through which risk tolerance influences investment decisions.

CONCLUSION AND SUGGESTION

This study examined the effects of digital financial literacy, cognitive ability, and risk tolerance on investment decisions, with intention to invest as a mediating variable among investors in Banyumas Regency. This study provides several theoretical contributions. First, it extends the Theory of Planned Behavior by demonstrating that digital financial literacy and cognitive ability influence investment decisions both directly and indirectly through intention to invest, while the mediating role of intention is not supported for risk tolerance. Second,

the study integrates the Theory of Planned Behavior and Prospect Theory into a single framework to explain investment decision-making from both cognitive and behavioral perspectives. Third, by replacing investment experience with digital financial literacy, this study offers a more relevant model for understanding investment decisions in the digital financial era, where investment knowledge can be acquired through digital technologies rather than solely through prior investment experience.

Suggestions

This study has several limitations. First, the cross-sectional design limits the ability to explain changes in investment behavior over time. Second, the respondents were limited to investors in Banyumas Regency, with a predominance of young investors, which may reduce the generalizability of the findings. Third, several measurement indicators were removed during the validity assessment, suggesting that future studies should further refine the measurement instruments.

Future research is advised to employ a longitudinal design, probability sampling, and a broader geographic scope; to develop more contextual instruments through qualitative approaches; and to incorporate additional variables such as herding behavior, perceived ease of use, and financial attitude, while also testing alternative models with different mediators or demographic moderating effects. These findings open opportunities for a deeper integration of the Theory of Planned Behavior and Prospect Theory, as well as for exploring alternative mediating mechanisms, such as perceived behavioral control or financial self-efficacy, which may be

more suitable for the context of Indonesian.

REFERENCES

- Adiputra, G. (2021). The Influence of Overconfidence, Representative Bias, and Risk Tolerance in Investment Decision Making: Evidence on Stock Investors in Indonesia. In *Journal of Hunan University (Natural Sciences)* (Vol. 48, Number 4).
- Ahmad, M. (2024). The role of cognitive heuristic-driven biases in investment management activities and market efficiency: a research synthesis. *International Journal of Emerging Markets*, 19(2), 273–321.
<https://doi.org/10.1108/IJOEM-07-2020-0749>
- Aisa, N. N. (2021). Do Financial Literacy and Technology Affect Intention to Invest in the Capital Market in the Early Pandemic Period? *Journal of Accounting and Investment*, 23(1), 49–65.
<https://doi.org/10.18196/jai.v23i1.12517>
- Ajzen, I. (1991). *The Theory of Planned Behavior*.
- Akhter, T., & Hoque, M. E. (2022). Moderating Effects of Financial Cognitive Abilities and Considerations on the Attitude–Intentions Nexus of Stock Market Participation. *International Journal of Financial Studies*, 10(1).
<https://doi.org/10.3390/IJFS10010005>
- Anatasya, P. S., & Innayah, M. N. (2025). Understanding Young Generation's Saving Behavior: The Role of Multidimensional Financial Literacy, Materialism and Financial Inclusion. *Paradoks : Jurnal Ilmu Ekonomi*, 8(4), 187–205.
<https://doi.org/10.57178/paradoks.v8i4.1721>
- Bai, R. (2023). Impact of financial literacy, mental budgeting and selfcontrol on financial wellbeing: Mediating impact of investment decision making. *PLoS ONE*, 18(11 November).
<https://doi.org/10.1371/journal.pone.0294466>
- Baihaqqi, I. K., & Prajawati, M. I. (2023). Pengaruh Risk Tolerance dan Religiusitas terhadap Keputusan Investasi dengan Literasi Keuangan sebagai Variabel Moderasi. *Ekonomi, Keuangan, Investasi Dan Syariah (EKUITAS)*, 4(3), 960–968.
<https://doi.org/10.47065/ekuitas.v4i3.2448>
- Besri, A. A. O., Husni, T., & Rahim, R. (2023). Pengaruh Financial Literacy, Religiusitas, Investment Knowledge terhadap Pengambilan Keputusan Investasi melalui Investment Intention sebagai Variabel Intervening. *Jurnal Informatika Ekonomi Bisnis*, 1350–1354.
<https://doi.org/10.37034/infeb.v5i4.690>
- Bhat, S. A., Lone, U. M., SivaKumar, A. K., & Krishna, U. M. G. (2025). Digital financial literacy and financial well-being – evidence from India. *International Journal of Bank Marketing*, 43(3), 522–548.
<https://doi.org/10.1108/IJBM-05-2024-0320>
- Candera, M., Safitri, E., RZ Muhammad Ferdi Saputra, & Kasuwara, C. (2026). Knowledge to Action: How Digital Financial Literacy Shapes Investment Decisions of Generation Z Through Fintech. *Jurnal Reviu Akuntansi Dan*

- Keuangan*, 16(2).
<https://doi.org/10.22219/jrak.v16i2.42776>
- Cohen, J. (n.d.). *Statistical Power Analysis for the Behavioral Sciences Second Edition*.
- Dan, F., & Handoyo, S. E. (2021). *Pengaruh Ekspektasi Pengembalian, Toleransi Risiko, Dan Efikasi Diri Terhadap Minat Investasi Saham*.
- Demir, S., & Uşak, M. (2025). Analyzing the Implementation of PLS-SEM in Educational Technology Research: A Review of the Past 10 Years. In *SAGE Open* (Vol. 15, Number 2). SAGE Publications Inc.
<https://doi.org/10.1177/21582440251345950>
- Fatihudin, D., Sayekti, F. N., Sukarana, M., Sulandjari, R., & Tahu, G. P. (2026). The Impact of Digital Financial Literacy on Investment Decisions in Mutual Funds and Money Markets among Millennials. *Jurnal Ilmiah Manajemen Kesatuan*, 14(2), 2217–2228.
<https://doi.org/10.37641/jimkes.v14i2.5142>
- Fornell, C., & Larcker, D. F. (1981). Evaluating Structural Equation Models with Unobservable Variables and Measurement Error. *Journal of Marketing Research*, 18(1), 39–50.
<https://doi.org/10.1177/002224378101800104>
- Furinto, A., Tamara, D., Yenni, & Rahman, N. J. (2023). Financial and digital literacy effects on digital investment decision mediated by perceived socio-economic status. *E3S Web of Conferences*, 426.
<https://doi.org/10.1051/e3sconf/202342602076>
- Gottferdeson, L. s. (1994). *Mainstream Science on Intelligence*.
- Grable, J., & Lytton, R. H. (2000). *Financial risk tolerance revisited: the development of a risk assessment instrument*.
- Grable, J., Rabbani, A., & Heo, W. (2024). The Complementary Nature of Financial Risk Aversion and Financial Risk Tolerance. *Risks*, 12(7).
<https://doi.org/10.3390/risks12070109>
- Hair, J., & Alamer, A. (2022). Partial Least Squares Structural Equation Modeling (PLS-SEM) in second language and education research: Guidelines using an applied example. *Research Methods in Applied Linguistics*, 1(3).
<https://doi.org/10.1016/j.rmal.2022.100027>
- Hair, J., Hult, Ringle, & Sarstedt. (2022). *A Primer on Partial Least Squares Structural Equation Modeling (PLS-SEM) Third Edition*.
- Haqqani, K., Aleem, M., Mahmood, S., Iqbal, A., El-kenawy, E. S. M., & Alharbi, A. H. (2025). Examining the mediating role of risk aversion and the moderating role of demographics in the relationship between personality traits and investment decisions. *Acta Psychologica*, 259.
<https://doi.org/10.1016/j.actpsy.2025.105411>
- Hendarto, K., Anastasia, N., & Basana, S. R. (2021). The Effect of Financial Literacy, Financial Risk Tolerance, and Financial Socialization Agents on Stock Investment Decision in The Millennial Generation. *Petra International Journal of Business Studies*, 4(1), 11–22.
<https://doi.org/10.9744/ijbs.4.1.11-22>

- Henseler, J., Hubona, G., & Ray, P. A. (2016). Using PLS path modeling in new technology research: Updated guidelines. *Industrial Management and Data Systems*, 116(1), 2–20. <https://doi.org/10.1108/IMDS-09-2015-0382>
- Hidayat, R., Respati, indah, Mayangsari, A. suta, & Suci, riska katika. (2024). Integrasi Teori Pengambilan Keputusan dengan Pendekatan Behavioral Economics. *Jurnal Ilmiah Multidisiplin*, 73–83.
- Hommel, B., Anderson, I., Thoma, V., & Krawczyk, D. C. (2023). *OPEN ACCESS EDITED AND REVIEWED BY Editorial: Improving financial decisions*. <https://www.worldbank.org/en/topic/financialinclusion/overview>
- Hussain, S., & Rasheed, A. (2022). *Empirical Study on Financial Literacy, Investors' Personality, Overconfidence Bias and Investment Decisions and Risk Tolerance as Mediator Factor*. <https://doi.org/10.21203/rs.3.rs-2005225/v1>
- Kahneman, D., & Tversky, amos. (1979). *Prospect Theory: Decision R Es E A R C H 'A Branch Of Percep Iron Ics Dar ~ eI K:hn:man ii*.
- Karundeng, M., Siagian, K., Hutabarat, V., & Pangaribuan, F. (2024). The Impact of Financial Literacy and Digital Awareness on Investment Intentions. *Ilomata International Journal of Tax Anad Accounting*, 5(1), 280–291. <https://doi.org/10.52728/ijtc.v5i1.1014>
- Khan, M. R., Ali Khan, M., Askari, M., Ali, Q., & Shoukat, R. (2022). Title: Evaluation of the Impact of Risk Tolerance and Financial Literacy on Investment Intentions of Securities Investors in Pakistan using the Theory of Planned Behavior (TBP) History: Citation. *Empirical Economic Review (EER)*, 5(1). <https://doi.org/10.29145/eer.51.05>
- Kholifah, S., Nurul Innayah, M., Tubastuvi, N., & Nazah, N. (2025). Religiosity, Attitudes, and Financial Literacy as Predictors of Saving Behavior: The Mediating Role of Saving Intention among Muslim Young Generation. In *Jurnal Ekonomi Pembangunan* (Vol. 23, Number 02).
- Kristian, J., & Setyawan, I. R. (2024). Jonathan Kristian(2024). *Jurnal Manajemen Bisnis Dan Kewirausahaan*, 468–482.
- KSEI. (2024). *Pertumbuhan Investor*. <https://doi.org/10.311.152>
- Kumar, P., Pillai, R., Kumar, N., & Tabash, M. I. (2023). The interplay of skills, digital financial literacy, capability, and autonomy in financial decision making and well-being. *Borsa Istanbul Review*, 23(1), 169–183. <https://doi.org/10.1016/j.bir.2022.09.012>
- Kusumahadi, T. A., & Utami, N. (2022). Teknologi Finansial, Literasi Keuangan, dan Keputusan Investasi Produk Reksa Dana di Indonesia. *Jurnal Manajemen Maranatha*, 21(2), 177–186. <https://doi.org/10.28932/jmm.v21i2.4631>
- Lamichhane, P., & Simkhada, A. (2024). Risk Tolerance, Overconfidence and Investment Decisions in Nepal. *Journal of General Education and Humanities*, 3(2), 227–240. <https://doi.org/10.58421/gehu.v3i2.244>

- Mahmood, F., Arshad, R., Khan, S., Afzal, A., & Bashir, M. (2024). Impact of behavioral biases on investment decisions and the moderation effect of financial literacy; an evidence of Pakistan. *Acta Psychologica*, 247. <https://doi.org/10.1016/j.actpsy.2024.104303>
- Maulana, H., Ulya, A. Z. S., Syahrudin, S., Abadi, M. K. R., Hastuti, E. W., & Harahap, S. A. R. (2025). Factors affecting investment decision in Indonesia: Mediating role of intention to invest. *Jurnal Ekonomi & Keuangan Islam*, 241–257. <https://doi.org/10.20885/jeki.vol11.iss2.art6>
- Moradzadeh, moslem, kord, baqer, ghasemi, mohammad, yaghoubi, nour mohammad, & rigi koteh, behzad. (2022). The relationship between cognitive abilities and decision making behavior of exchange investors mediated by financial self-efficacy and financial literacy. *The Journal of Psychological Science*, 21(116), 1563–1580. <https://doi.org/10.52547/JPS.21.116.1562>
- Murini, widyatmoko, Djauhari, M., Idris, N., & Suroso, A. (2023). *Jurnal Sistim Informasi dan Teknologi* <https://jsisfotek.org/index.php> *Analysis of The Influence of Digital Financial Literacy, Digital Platforms, Return and Accountability on Public Intention to Invest Outside Java*. 5(4). <https://doi.org/10.60083/jsisfotek.v5i4.313>
- Mushafiq, M., Khalid, S., Sohail, M. K., & Sehar, T. (2023). Exploring the relationship between investment choices, cognitive abilities risk attitudes and financial literacy. *Journal of Economic and Administrative Sciences*, 39(4), 1122–1136. <https://doi.org/10.1108/JEAS-07-2021-0130>
- Nababan, R. S., & Zaenuddin, M. (2024). *Peran Minat Investasi dalam Memediasi Pengaruh Literasi Keuangan dan Pengetahuan Investasi Terhadap Keputusan Investasi (Studi Pada Mahasiswa Akuntansi Manajerial Politeknik Negeri Batam)*.
- OECD/INFE survey instrument to measure digital financial literacy. (n.d.).
- OJK. (2025a). *SIARAN PERS BERSAMA*.
- OJK. (2025b). *Siaran Pers: OJK Dorong Generasi Muda Jadi Motor Pertumbuhan Investor Pasar Modal*. <https://www.ojk.go.id/id/berita-dan-kegiatan/siaran-pers/Pages/OJK-Dorong-Generasi-Muda-Jadi-Motor-Pertumbuhan-Investor-Pasar-Modal.aspx>
- OJK. (2026). *Siaran Pers: Penguatan Ketahanan dan Integritas Sektor Jasa Keuangan Mendukung Stabilitas Sistem Keuangan*. https://ojk.go.id/id/berita-dan-kegiatan/siaran-pers/Pages/RDKB-Feb-2026.aspx?utm_
- OJK, & BPS. (2024). *SNLIK*.
- Ortega, S. L., & Pramita, R. A. S. (2023). Pengaruh Literasi Keuangan, Kemajuan Teknologi, Pelatihan Pasar Modal, Dan Motivasi Terhadap Minat Investasi Di Pasar Modal. *Sibatik Journal: Jurnal Ilmiah Bidang Sosial, Ekonomi, Budaya, Teknologi, Dan Pendidikan*, 2(2), 709–726.

- <https://doi.org/10.54443/sibatik.v2i2.648>
- Ostrovsky, T. M., Heinke, S., Andraszewicz, S., & Rieskamp, J. (2022). Cognitive abilities affect decision errors but not risk preferences: A meta-analysis. In *Psychonomic Bulletin and Review* (Vol. 29, Number 5, pp. 1719–1750). Springer.
<https://doi.org/10.3758/s13423-021-02053-1>
- Pariyanti, E., Desastra, Y. Z., & Rinannika. (2025). Model Literasi Finansial Digital Dan Mediasi Pengetahuan Finansial Dalam Keputusan Investasi: Studi Pada Generasi Z Di Lampung. *Jurnal Fidusia*.
- Putri, G. D., Purwidiyanti, W., Innayah, M. N., & Alfalisyanto. (2023). Investment Decisions: Are Financial Knowledge, Risk Tolerance and Experience Important? *South Asian Journal of Social Studies and Economics*, 20(4), 250–260.
<https://doi.org/10.9734/sajsse/2023/v20i4756>
- Rahardin, A. J. P., Nurul Innayah, M., Purwidiyanti, W., & Hidayah, A. (2026). *Internal Locus of Control and Spiritual Intelligence as Drivers of Young Generation's Financial Behaviour: A Gender Differences Analysis*. 15(2), 574–593.
<https://doi.org/10.30588/jmp.v15i2.2572>
- Rahmayanti, P. L. D., Sasrawan, I. P. H., & Yasa, N. N. K. (2025). Decoding Investment Intentions: Uncovering How Risk Tolerance, Financial Literacy, and Subjective Norms Drive Students to Begin Stock Investing. *Asian Journal of Economics, Business and Accounting*, 25(2), 157–166.
<https://doi.org/10.9734/ajeba/2025/v25i21671>
- ANTARA News. (2026.). Retrieved June 26, 2026, from https://www.antaranews.com/berita/3965730/realisasi-investasi-di-banyumas-tahun-2023-capai-rp199-triliun?utm_
- Rohani, A. S. P. (2023). *Pengaruh Financial Literacy, Risk Perception Dan Experienced Regret Terhadap Investment Decision*. 05(03), 732–741.
- Sari, T. N. I., Mawardi, M. C., & Anwar, S. A. (2024). Pengaruh Persepsi Risiko, Toleransi Risiko, Overconfidence, dan Loss Aversion Terhadap Pengambilan Keputusan Investasi. In *e_Jurnal Ilmiah Riset Akuntansi* (Vol. 13, Number 01).
<http://jim.unisma.ac.id/index.php/jra>,
- Shabrina Anwar, Q. R. S. (2025). Pengaruh Pengalaman Investasi dan Risk Tolerance Terhadap Keputusan Investasi Dengan Minat Investasi Sebagai Variabel Intervening Pada Ibu Rumah Tangga Di Kecamatan Sei Balai. *Bursa: Jurnal Ekonomi Dan Bisnis*.
- Siaran Pers: Kasus Penipuan Berkedok Investasi di Purwokerto, OJK Minta Korban Segera Melapor. (n.d.). Retrieved June 26, 2026, from <https://www.ojk.go.id/id/berita-dan-kegiatan/siaran-pers/Pages/Kasus-Penipuan-Berkedok-Investasi-di-Purwokerto,-OJK-Minta-Korban-Segera-Melapor.aspx>
- SIARAN PERS: Waspada Dugaan Pendekatan Door To Door Terhadap Nasabah Korban Kasus Mandiri Taspen - Peradi SAI Purwokerto. (n.d.). Retrieved July

- 14, 2026, from <https://www.peradisaipurwokerto.org/2026/06/siaran-pers-waspada-dugaanpendekatan.html>
- Ullah, R., Bin Ismail, H., & Ali Zeb. (2025). *Financial_cognitive_ability_dimensions_and_investo*.
- Utami, E. M., Yuliani, R., & Pesakovic, G. (2025). Financial Knowledge And Social Influence On Generation Z Intention To Invest: The Mediating Role Of Financial Attitude And Literacy. *Media Ekonomi Dan Manajemen*, 40, 121–147.
- Wahyuni, S., Afriani, D., Isnurhadi, I., & Yuliani, Y. (2023). Program Studi Manajemen Universitas Muhammadiyah Gresik Jawa Timur Indonesia Bukti Peran Perilaku Keuangan Sebagai Pemediasi dalam Literasi Keuangan, Risk Tolerance dan Keputusan Investasi. *Jurnal Manajerial*, 10. <https://doi.org/10.30587/manajerial.v10i03.6271>
- Yulandreano, E., & Rita, M. R. (2023). Investment Decisions on the Crowdfunding Platform Based on the Theory of Planned Behavior. *Jurnal Manajemen Bisnis*, 14(1), 36–52. <https://doi.org/10.18196/mb.v14i1.16494>
- Yuliani, Y., Taufik, T., & Malinda, S. (2024). Intention to Invest has a High Impact on Decision Making? New Contribution to the Planning Field of Financial behavior in Indonesia. *Finance: Theory and Practice*, 28(6), 196–209. <https://doi.org/10.26794/2587-5671-2024-28-6-1252-02>
- Zaen, M., Nurul Innayah, M., Purwidiyanti, W., Aryoko, Y. P., & Id, M. A. (2024). Factors Affecting Financial Management Behavior of Millennial Generation: The Role of Financial Attitude, Financial Literacy, Locus of Control, and Financial Knowledge. *Human Resource Management JENIUS*, 8(1), 22–33. <https://doi.org/10.32493/JJDP.v8i1.42859>