

THE ROLE OF DEMOGRAPHIC FACTORS ON INVESTMENT INTENTIONS DURING COVID-19

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ABSTRACT

This study aims to influence demographic factors on investment intentions during COVID-19. Demographic factors used in this study as measurement variables are gender, education, and occupation. This research will be helpful and meaningful for individuals who are interested in investment activities. The sampling technique uses a non-probability sampling method. The sample in this study had an age range of 22-41 years. The total sample used in this research was 200 respondents according to the required criteria. This research was conducted throughout Indonesia using a survey method through online questionnaires. The data analysis used in this research is regression analysis. The results of this study show that the demographic factors used in this study have not been able to measure investment intentions during the COVID-19 pandemic.

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1. INTRODUCTION

Investment is placing funds in the hope of obtaining profit or additional money in the future [1]. The return obtained from the investment can exceed the investment capital issued at this time, but it is also followed by the magnitude of the risk. Investment is made because there is a need that someone in the future must fulfil to increase the value of assets or maintain the value of assets owned to be used when a crisis or inflation comes [2]. The type of investment has varied over time and the number of enthusiasts for this activity has increased. The public can invest in financial instruments such as bonds, stocks, mutual funds, and others [3] or invest in real assets such as land, property, gold, and others [4]. Investment plays a dominant role in economic development and plays an essential role in promoting capital formation, and economic growth [5].

During the COVID-19 pandemic, investment is something that is not a priority but an alternative in the difficult times that are being faced [4]. The impact of COVID-19 affects changes in the social life order and reduces the performance of the world economy, including Indonesia [6]. The number of capital market investors increased during the Covid-19 pandemic because they wanted to get profits to meet their needs when they couldn't leave the house [2]. Indonesia's investment growth is increasing, marked by an increase in the number of investment instruments available on the market. The number of individual investors in the Indonesian capital market reached 1.6 million or 0.38% of the 260 million Indonesian population [7].

Investment intentions are influenced by perceived risk in the complete process of evaluation, choice, and buying behavior [8]. Intention is considered as an individual indication of what future behavior and it is assumed to identify motivational factors that influence behaviour [9]. The theory of Planned Behavior explains that the intention to act can be influenced by a person's perceived behavioural control so that if a person is interested in investing, he will be more likely to adopt behaviour that can satisfy the desire to invest in the capital market [10]. Investment intention is assumed to be able to capture the motivational factors that influence a person's behavior [11]. Someone with investment intentions is likely to take actions that can achieve their desire to invest, such as attending training and seminars on investment, accepting investment offers well, and ultimately investing [12].

Demographic factors, as a reflection of the characteristics of investors, are often a concern in influencing investment decisions [13]. Demographic factors are a science that studies a person's characteristics, attitudes, and behavior, which are influenced by factors such as gender, educational status, and income. [14] stated that everyone's mindset is different, related to demographic differences. When faced with a financial decision, demographic factors are thought to influence individual behavior, and variations in these elements can affect how people behave. The influence of investor demographic factors needs to be considered because investors often involve more than one individual in making investment decisions [15]. Demographic factors play an important role in determining the investment chosen.

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Demographic factors can especially affect an investor's decision [16]. Demographic factors used in this study as measurement variables are gender, education, and occupation.

Several studies use demographic factors in explaining investment intentions. Variations in the formation of diversified investment portfolios are empirically related to differences in investor characteristics, such as age, competence, affluence, investment experience, occupation, and the environment in which investors live [17]. [18] in their research provides evidence that there are gender differences in direct responses to loss. Female become more cautious when market conditions are more unfavorable and experience losses in past investment decisions [18]. Besides that, higher education levels lead to greater levels of propensity in saving or investing [17]. Higher education will widen one's intellectual horizons to get better opportunities regarding the economic situation in managing and distributing money. The growing investment intention in the community makes financial education important to investors. Individuals who get higher education are more knowledgeable about economic, financial, and investment matters [19]. Occupation is a group of positions that have the same obligations or main tasks. In job analysis activities, one job can be occupied by one person, or several people who are scattered in various places. By working, someone will get money that can be used to meet needs, including the need to invest. Thus, work will affect investment.

Socio-economic and demographic factors such as age, occupation, and environment significantly influence Investment Intention [17]. [20] states that demographic factors have a significant positive effect on investment intentions. This is in line with the opinion [3], who stated that demographic factors have a significant positive effect on investment intentions in the capital market. In contrast to the research above, [15] stated that demographic factors such as gender, age, education, and occupation do not affect investors' investment decision making. [21] research results also state that demographic factors have no effect on investment.

From the explanations above, this study aims to measure the influence of demographic factors on the investment intentions of the Indonesian people during the COVID-19 pandemic. This research will be helpful and meaningful for individuals who are interested in investment activities.

2. METHOD

The type of data in this study is primary data. This research was conducted throughout Indonesia using a survey method through online questionnaires. Questionnaires were created via Google form and distributed online via social media. The sampling technique uses a non-probability sampling method. The sample in this study had an age range of 22-41 years. The total sample used in this research was 200 respondents according to the required criteria. The sampling criteria are having one type of investment during COVID-19 (Gold, Property, Savings, Mutual Funds, Stocks, Bonds, Deposits, Forex, Crypto Assets, and others).

This research is quantitative study. Data were analyzed using descriptive analysis and statistics. The data analysis used in this research is regression analysis. Data processing and analysis were carried out using SPSS application. The following is the framework for this research:

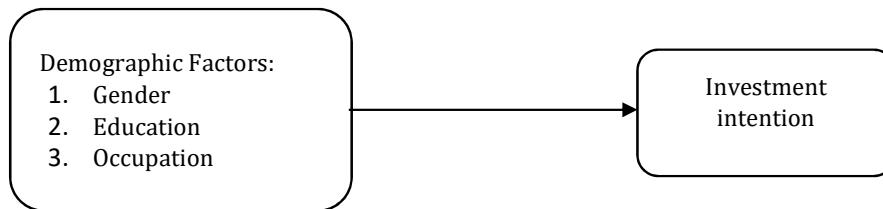


Figure 1. Framework

3. RESULT AND DISCUSSION

Overview of respondent profiles

Table 1. Respondent Profile

Characteristics of Respondents		Jumlah	Presentase
Gender	Male	80	40%
	Female	120	60%
Ages	22-31 years	134	67%

	32-41 years	66	33%
Education	Senior High School	23	11,5%
	Diploma	10	5%
	Bachelor	100	50%
	Masters	53	26,5%
	Doctor	14	7%
Occupation	PNS/BUMN/Government	73	36,5%
	Private employees	65	32,5%
	Businessman	10	5%
	Student	27	13,5%
	Other	25	12,5%

The table above shows the characteristics of the respondents in this study. There were 80 male respondents out of 200 respondents, so it can be seen that there were more female respondents, namely 120 people. For the age range, most respondents had an average age range of 22 to 31 years, namely, as many as 67% or 134 people, and the rest were aged around 34 to 41 years.

Meanwhile, for education, it was dominated by respondents with undergraduate education, namely half of all respondents (50%), followed by respondents who graduated from masters with a total of 53 people, 23 people from high school, 14 doctoral graduates, and finally 10 diploma graduates. Out of 200 respondents, 73 worked in the government sector, 65 worked in the private sector, 27 were students, 10 were entrepreneurs, and the remaining 25 had other jobs.

Regression Results

In this section the impact of demographic variables on investment intention is estimated in table 2. The regression results show that the demographic factors in the form of gender, education, and occupation used in this study have not been able to measure investment intentions during the COVID-19 pandemic. In addition, simultaneous testing also shows the same results that the demographic factors used in this study cannot explain investment intentions.

Table 2. Estimation results

Variabel	Investment Intention
Constant	23.903***
Gender	-0.076 (0.668)
Education	0.042 (0.600)
Occupation	-0.014 (0.899)
Observations	200
R-squared	0004
Sig F	0.849

The results of this study are in line with research conducted by [15], which states that demographic factors such as gender, age, education, and occupation do not affect investors' investment decision making. and also supports research [22] Demographic variables do not have individual statistical significance impacting the investment avenue. And then, [18] find no significant difference in the proportion that men and women invest in equities irrespective of whether they have made gains or losses in their recent investments, and whether they expect the future market scenario to be favorable or unfavorable.

4. CONCLUSION

Based on the research that has been done, it can be concluded that demographic factors used have not been able to measure investment intentions. The limitations of this study only use demographic factors in the form of gender, education, and occupation so that further research can be carried out by including more demographic factors such as age, income, investment experience, living environment, marital status, and others of the respondents. The hope is that by including these factors, the research results will be able to explain the relationship to investment intentions. Suggestions for further research can include

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psychological factors and other factors as research variables because many other factors can influence investment intentions.

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