


## STUDENT INVESTMENT BEHAVIOR: IS THERE A CORRELATION WITH RELIGIOSITY?

Ima Faizah 1, Nihlatul Qudus Sukma Nirwana 2

<sup>1,2)</sup> Universitas Muhammadiyah Sidoarjo, Indonesia  
 imafaizah1@umsida.ac.id, nihlatul2015@gmail.com

Article Info	ABSTRACT
<p><b>Article history:</b>            Received May 05, 2023            Revised May 29, 2023            Accepted Jun 17, 2023</p> <p><b>Keywords:</b>            Halal; Finance;            Religiosity;            Investment</p>	<p>Business developments in the technological era offer convenience, speed, and various attractive features through online shopping services equipped with easy payment services. This causes changes in people's patterns, lifestyles and behavior, becoming consumptive behavior that is not based on needs but on desires and satisfaction alone. This behavior is contrary to investment behavior as the implementation of Islamic values in terms of wealth management. Within the scope of halal finance, Islam does not only regulate how to obtain and spend assets by buying halal products, but also utilizes assets according to the designation taught by Islam. Several verses of the Qur'an and Hadith implicitly motivate people to invest. This study uses a quantitative approach with descriptive analysis. The sample of this research was students of Muhammadiyah Sidoarjo University who were randomly selected. The results showed that employment status and religiosity factors influenced student investment behavior, while age and gender had no significant effect.</p> <p style="text-align: right;">This is an open-access article under the <a href="https://creativecommons.org/licenses/by-nc-nd/4.0/">CC-BY 4.0</a> license.</p> 

**Corresponding Author:**

**Ima Faizah**

Universitas Muhammadiyah Sidoarjo, Indonesia

Email: imafaizah1@umsida.ac.id

### INTRODUCTION

The development of the industrial era and information technology brought many changes to the development of human economic activities. The existence of the internet as one of the products of information technology development has spawned new products in the business world such as e-commerce, e-business, and others that can be accessed by anyone, anytime and anywhere very easily (Nasution, 2016). Online business with various functions is something that is very close and attached to human life.

The variety of new products in business aims to meet the desires and consumption needs of human life. Consumption is defined as an activity carried out by someone to spend or use the use value / utility of an item or service (Furqon, 2018). Business developments in the technological era that offer convenience, speed and various attractive features through online shopping services, for example, have become a magnet for consumers. This is what causes changes in patterns, lifestyles, and people's behavior,

becoming consumptive behavior that is not based on needs but on desires and satisfaction alone (Dewi et al., 2017).

The millennial generation, the generation born in 1981-1996, is considered a more consumptive generation. Based on the results of the 2020 Populix survey, 68% consist of the millennial generation and generation Z is the generation that claims to shop online the most. Students are a group of people who are in the millennial and gen Z groups. Kurniawan's research (Kurniawan, 2017) shows that student consumptive behavior is driven by low self-control and is heavily influenced by the desire to follow environmental trends. A person's consumption behavior can be influenced by religiosity. Religiosity is a person's religious experience that involves symbols, beliefs, values, and behaviors driven by spiritual power. The extent to which an individual is committed to his religion depends on his level of religiosity because it refers to beliefs, religious values, and religious activities in everyday life (Rafidah et al., 2020). From external factors, this behavior is driven, in part, by the convenience and security offered by digital financial services such as e-wallets (Wulansari et al., 2020). This consumptive attitude can result in waste, inefficiency, which in turn is inversely proportional to investment behavior as a form of implementing Islamic values.

This study wants to explore the investment behavior of Muhammadiyah University Sidoarjo students amidst the rush of information technology-based business developments. As a tertiary institution that promotes Islamic values, Muhammadiyah University of Sidoarjo seeks to instill Islamic values in its students in every aspect of life. So, can the religiosity factor influence student investment behavior?

#### Literature Reviews

The term investment in Arabic is *istitsmar* which means to make fruitful, develop, and increase in number (Sakinah, 2014). Investments in general aim to obtain guarantees of physical and spiritual well-being in this world and in the hereafter. Investment in the economic sphere is an activity that leads to efforts to develop assets that are carried out by sacrificing current consumption values to obtain greater benefits in the future (Mashuri, 2018). In Islam, investment activities are activities that are highly recommended. This can be seen from several verses of the Koran and Hadith which motivate and instruct people to invest. One of them is in the following Surat Al-Hasyr verse 18,

يَا أَيُّهَا الَّذِينَ آمَنُوا اتَّقُوا اللَّهَ وَلْتَنْظُرْ نَفْسٌ مَّا قَدَّمَتْ لِغَدٍ وَاتَّقُوا اللَّهَ إِنَّ اللَّهَ خَبِيرٌ بِمَا تَعْمَلُونَ

“O you who believe! Fear Allah and let everyone pay attention to what he has done for tomorrow (hereafter), and fear Allah. Verily, Allah is All-Aware of what you do”

The verse instructs and reminds people to evaluate or reflect on themselves about what they have done and prepare for the future. An extensive evaluation does not only assess the strengths and weaknesses of what has been done, but also improves and prepares processes and strategies for moving forward in the future. This verse implicitly motivates people to take steps that can help and guarantee the luck in the future, namely

through investment. Apart from this verse, there are other verses Q.S. An-Nisa' verse 9 which prohibits parents from leaving children or giving birth to weak generations.

وَلْيَخْشَ الَّذِينَ لَوْ تَرَكَوْا مِنْ خَلْفِهِمْ ذُرِّيَةً ضَعِيفًا خَافُوا عَلَيْهِمْ فَلْيَتَّقُوا اللَّهَ وَلْيَقُولُوا قَوْلًا سَدِيدًا

“And let fear Allah those who leave behind them weak children, whom they fear for their (well-being). Therefore, let them fear Allah and let them speak the truth”

The verse clearly forbids Muslims from leaving a weak generation. This weakness includes material weakness, weak faith, and physical weakness, causing these children to become a burden to others after the death of their parents. The wrong step that can be done is through investment.

The existence of an order to invest in Islamic teachings makes it a part of worship to Allah SWT. The two verses that instruct investing are associated with the word "taqwa" which is a form of obedience to Allah SWT by carrying out His commands and avoiding His prohibitions. Obedience to Allah SWT's command to invest will be considered worship if it is implemented in accordance with the rules determined by Allah SWT. In Islamic law, investment (limited to investment in the economic sector) is a form of muamalah which has provisions and rules as its management principles, including investment activities that must not contain elements of gambling, gharar or uncertainty, usury, and vanity.

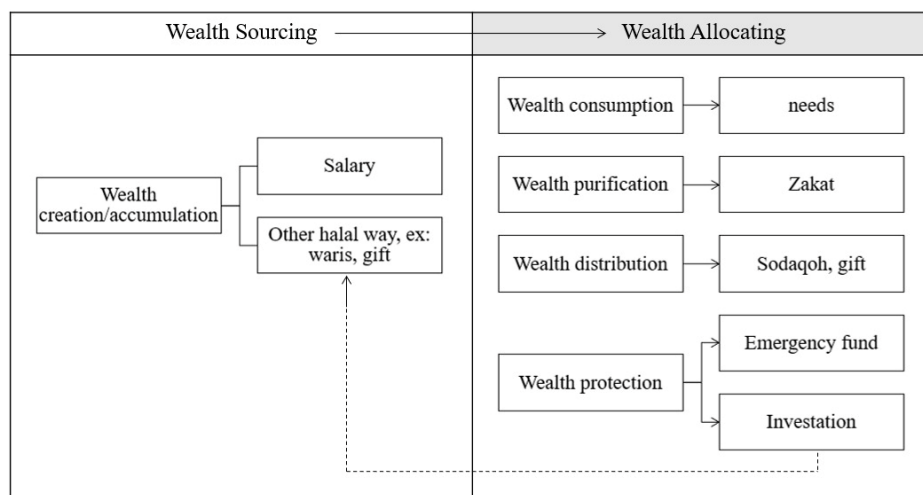


Figure 1. Scheme of wealth management in Islamic perspective

Source: Irwan, (2021)

This scheme illustrates that the principles of asset management in Islam broadly consist of two (2) scopes, namely obtaining assets and utilizing assets, both of which must use the principles of halal and thayyib. Acquisition of assets can be done through work, and other halal sources such as inheritance or waris, gifts, and others. In this case,

investment can be an effort to acquire assets because with investment assets will grow. The management of wealth utilization in Islam must pay attention to the allocation of the necessities of life as taught by Islam, such as shopping for needs or consumption activities wisely, not wasteful and not stingy, as explained in the Al-Qur'an surah Al-Furqan verse 67, which means

"And those who spend (wealth), they are not excessive, and not (also) stingy, and are (spending) in the middle between these things."

It is the principle of not being excessive and not stingy in this verse that motivates people to spend for consumption in a simple way and according to their needs, in contrast to the consumptive behavior that is currently being practiced, especially the millennial generation and generation Z.

Previous research on student investment interest and the factors that influence it has been widely carried out. Demographic, psychological, and sociological factors generally influence financial investment behavior. Age, income, education level, gender, investment experience, and marital status are the main characteristics that explain investment behavior (Mak & Ip, 2017). Research Utami & Sirine, 2016; Upadana & Herawati, 2020; Savanah & Takarini, 2021 state that the factors that influence saving behavior among students are the level of financial literacy, encouragement from parents, and self-control. In contrast to what was stated (Fitriarianti, 2018) that investment interest is not influenced by financial literacy, but financial behavior and income that have a significant effect. Some of these studies do not link religiosity as a factor that can influence student investment behavior. Meanwhile, financial literacy can influence financial management which can encourage a person's investment behavior (Lisdiana & Setiyono, 2022). Many people experience financial problems due to low financial literacy, they do not understand simple economic concepts and can not do calculations such as calculating compound interest, they lack financial understanding, which can lead to suboptimal financial decisions. Low financial literacy also causes someone to seek instant profit and satisfaction rather than considering greater long-term benefits. This is what can prevent someone from investing.

Research of (Saidy & Katman, 2022) explores information about the relationship between religiosity and consumption patterns which show that religiosity has a significant effect on rational consumption patterns, namely consumption patterns based on considerations of fulfilling personal needs, product selection by looking at its advantages and disadvantages, and product selection based on its level of use. However, this research does not link directly with investment behavior. So the researcher wants to explore it as an update based on the consideration that investment is an order in Islam.

## **METHODS**

The research was compiled using a quantitative approach with student respondents at the Muhammadiyah University of Sidoarjo from all faculties using a random sampling technique. The data source used is primary data collected by filling out a questionnaire with a Likert scale. Then the raw data was analyzed using SPSS 25 software. After the

questionnaire was distributed and filled in by students in five faculties, the result was 465 respondents who filled out the questionnaire with details for each faculty as presented in Figure 2.

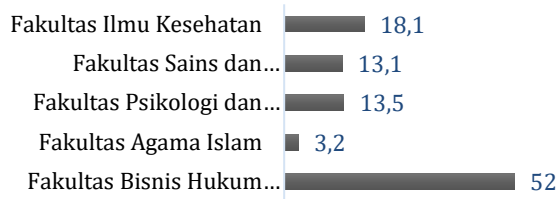


Figure 2. Distribution of respondents to the halal finance questionnaire by Faculty (%)  
Source: primary data, (2023)

The samples collected through the probability sampling technique are considered to meet the minimum sample size of the Umsida student population if calculated using the Slovin formula as follows:

$$n = \frac{N}{1 + Ne^2}$$

n = minimum number of samples

N = population (number of Umsida students per 2022)

e = margin error value (using 5 %)

$$n = 12,468$$

$$1 + 12.468 \times 0.052$$

$$n = 388$$

So, the minimum sample used is 388 students.

## RESULTS AND DISCUSSION

Sampel penelitian adalah mahasiswa Universitas Muhammadiyah Sidoarjo sebanyak 465 mahasiswa yang seluruhnya beragama Islam. Berikut disajikan data identitas responden untuk mengetahui karakteristik responden.

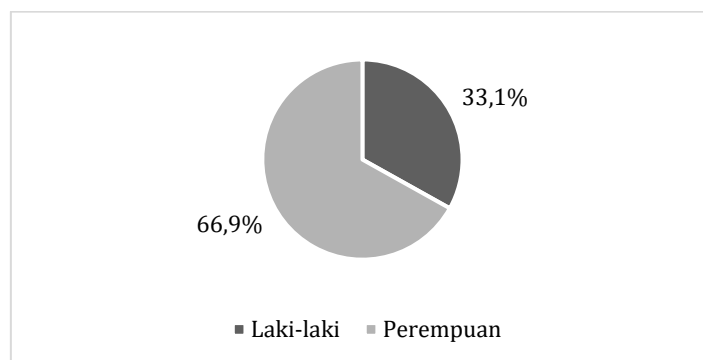


Figure 3. Characteristics of respondents based on gender

Source: primary data, (2023)

The figure above shows that 33.1% of respondents is male, while there were more female respondents, namely 66.9%.

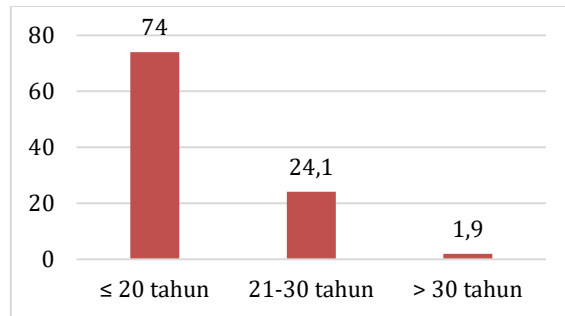


Figure 3. Characteristics of respondents based on age

Source: primary data, (2023)

Based on age characteristics, it was dominated by the age group ≤ 20 years by 74%, the age group 21-30 years by 24.1%, and the age > 30 years by 1.9%.

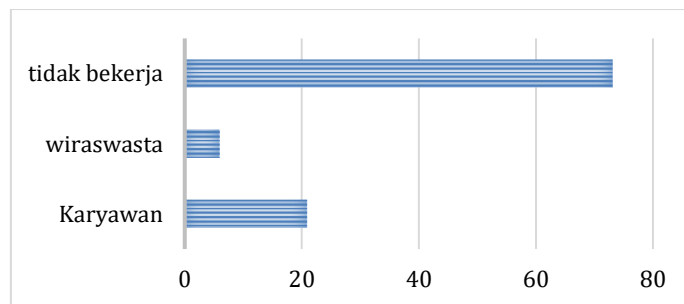


Figure 4. Characteristics of respondents based on employment status

Source: primary data, (2023)

The study also explored the employment status of the respondents to determine whether there was a correlation between employment status and their investment behavior. Based on the research data, it is known that 73% of the respondents did not work, and 26.9% worked, either as employees (20%) or as self-employed (6%). From the results of the research data, an analysis of the data will be carried out by correlating various data on the

characteristics of respondents with investment behavior. Namely 1) Investment behavior is influenced by age 2) Investment behavior is influenced by gender 3) Investment behavior is influenced by employment status 4) Investment behavior is influenced by the level of religiosity.

Pearson Correlation Test conducted on 4 independent variables (X), namely age, gender, employment status, and religiosity on the dependent variable (Y) investment behavior shows the following results

a. Age on investment behavior

Table 1. Pearson Correlation for Age (X) and Investment Behavior (Y)

		Age	Investment Behavior
<b>Age</b>	Pearson Correlation	1	0.079
	Sig. (2-tailed)		0.088
	N	465	465
<b>Investment Behavior</b>	Pearson Correlation	0.079	1
	Sig. (2-tailed)	0.088	
	N	465	465

The Pearson correlation between age and investment behavior variables shows a significance value of  $> 0.05$ , which is 0.088. This means that there is no relationship between age and investment behavior or student investment behavior is not influenced by age level.

b. Gender on investment behavior

Table 2. Pearson Correlation for Gender (X) and Investment Behavior (Y)

		Gender	Investment Behavior
<b>Gender</b>	Pearson Correlation	1	-0.005
	Sig. (2-tailed)		0.920
	N	465	465
<b>Investment Behavior</b>	Pearson Correlation	-0.005	1

---

	Sig. (2-tailed)	0.920	
	N	465	465

---

The results of calculating the correlation between gender and investment behavior show a negative relationship with a significance value of 0.920 or  $> 0.05$ . This means that student investment behavior isn't affected by gender.

c. Employment status on investment behavior

Table 3. Pearson Correlation results of Employment Status (X) and Investment Behavior (Y)

		Employment status	investment behavior
<b>Employment status</b>	Pearson Correlation	1	0.115*
	Sig. (2-tailed)		0.013
	N	465	465
<b>investment behavior</b>	Pearson Correlation	0.115*	1
	Sig. (2-tailed)	0.013	
	N	465	465

*\*Correlation is significant at the 0.05 level (2-tailed)*

Based on the table above, the correlation value between employment status as the X variable, and investment behavior as the Y variable shows a significance value of 0.013  $< 0.05$ , which means that there is a significant correlation between the employment status variable and the investment behavior variable. While the value of  $r$  count 0.115  $> r$  table 0.098 which can be concluded that there is a relationship or correlation between employment status and investment behavior.

d. Religiosity on investment behavior



Table 4. Pearson Correlation on Religiosity (X) and Investment Behavior (Y)

		<b>Religiosity</b>	<b>Investment Behavior</b>
<b>Religiosity</b>	Pearson Correlation	1	0.284**
	Sig. (2-tailed)		0.000
	N	465	465
<b>Investment Behavior</b>	Pearson Correlation	0.284**	1
	Sig. (2-tailed)	0.000	
	N	465	465

*\*\*Correlation is significant at the 0.01 level (2-tailed)*

The table shows that the correlation value between religiosity as the X variable, and investment behavior as the Y variable shows a significance value of  $0.000 < 0.01$ , which means that there is a significant correlation between the religiosity variable and the investment behavior variable. While the value of  $r_{count} 0.284 > r_{table} 0.128$  which can be concluded that there is a relationship or correlation between religiosity and investment behavior.

Investment is an activity of planting or saving with the aim of developing it or getting more benefits. This study limits investment activities to economic activities, namely spending a certain amount of funds at this time to get a number of benefits in the future. Investment activities contain a number of uncertainties and risks. Therefore, investment activities must be accompanied by the ability to analyze the risk factors that will be encountered. One of them is the risk arising from the form of investment, namely in the form of financial assets, as well as real assets. Financial assets, such as certificates of deposit, securities, stocks, bonds, and so on. While examples of real assets are the purchase of productive assets, the establishment of factories, plantations, and others (Putra, 2018)

In the concept of Islamic muamalah, all activities that involve relationships between human beings, including investment, are activities that are not only oriented towards material achievements, but also pay attention to immaterial aspects. Investment decisions are not only based on the desire to obtain the highest profit, but as a form of implementation of Islamic teachings that can be valued as worship before Allah SWT. Thus, the success of an investment is not only judged by the advantages of the financial

aspect such as a high rate of return, but also the benefits based on the satisfaction of conscience.

Industrial development in the 4.0 era gave birth to challenges in implementing investment behavior as a form of implementing Islamic teachings. The emergence of new products that are attractive and offer convenience has caused a shift in human behavior to become more hedonic and consumptive, especially among teenagers. As reported in a study (Rahmat et al., 2020) that hedonic behavior in adolescents, namely a free lifestyle that is oriented towards the pleasures of life, gives birth to consumptive attitudes and wasteful behavior. This is certainly contrary to investment behavior which is motivated by limiting consumption according to the need to gain profits in the future. The results of the study also state that this consumptive behavior can be avoided through an attitude of religiosity, namely a person's religious condition that directs him to obedience to religious orders.

The results showed that the age and gender variables had no correlation with student investment behavior with a Sig. (2-tailed) > from 0.05. This means that the age and gender of the respondents are not factors that significantly influence investment behavior, or it can also be concluded that investment behavior is not determined by age and gender. Respondents in this study were aged 20-35 years, including the millennial generation and Z generation. According to (Rosdiana, 2020) the millennial generation, as the productive generation, has low financial literacy and behavior, especially in using their income, high levels of consumption, which causes purchases of goods that are not based on needs. This consumptive behavior is driven by offers of easy transaction payments from financial service producers such as banks or other financial services. This phenomenon has been previously proven in research (Azka Fikri, 2021) which states that the emergence of the Shopeepay payment service, for example, can lead to an increase in student consumptive behavior so that it is inversely proportional to investment behavior.

On the other hand, variables that influence investment behavior are employment status and religiosity. Sidoarjo Muhammadiyah University students consist of working students and students who are not working. To invest, students certainly need capital. For students who are not working, their financial source can come from parents' pocket money in a limited amount. This causes student interest in low investment. Religiosity also influences student investment behavior at the 1% level with a significance value of 0.000, which is less than 0.01. According to the theory of planned behavior, subjective norm variable is one of the factors that can influence one's investment interest. Subjective norms are individual perceptions resulting from the formation of values in the surrounding environment where a person lives or interacts socially. This value can also be influenced by beliefs or religion, both the results of their own understanding and the religious opinions of people who are influential in their lives or the surrounding community (Setyorini & Indriasari, 2020).

## CONCLUSION

The investment behavior of Muhammadiyah University Sidoarjo students is influenced by several factors. Age and gender are factors that have no significant effect. The employment status variable has a significant effect at the 5% level, while religiosity has a significant effect at the 1% level.

Based on these results, it is important to foster student interest and investment behavior through increasing the level of student religiosity. Efforts need to be made to increase understanding and awareness of the implementation of Islamic values in learning, or role models, as well as creating a campus environment that can motivate students to invest. In the next stage, it is also necessary to develop curriculum and learning strategies with content regarding investment in Islam.

## ACKNOWLEDGMENT

Acknowledgments to the Muhammadiyah University of Sidoarjo for funding this research activity and for the respondents who are willing to take the time to fill out the research questionnaire honestly

## REFERENCES

- [1]. Azka Fikri. (2021). Pengaruh Penggunaan Shopeepay Sebagai Dompot Digital Terhadap Perilaku Konsumtif Mahasiswa Feb Usu. *KomunikA*, 17(2), 1–11. <https://doi.org/10.32734/komunika.v17i2.7556>
- [2]. Dewi, N., Rusdarti, & Sunarto, S. (2017). Pengaruh Lingkungan Keluarga, Teman Sebaya, Pengendalian Diri dan Literasi. *Journal of Economic Education*, 6(1), 29–35.
- [3]. Fitriarianti, B. (2018). Pengaruh Literasi Keuangan, Perilaku Keuangan Dan Pendapatan Terhadap Keputusan Berinvestasi. *Seminar Nasional I Universitas Pamulang*, 1(1), 1–15. <https://core.ac.uk/download/pdf/337610591.pdf>
- [4]. Furqon, I. K. (2018). Teori Konsumsi dalam Islam. *Adzkiya : Jurnal Hukum Dan Ekonomi Syariah*, 6(1), 1–18. <https://doi.org/10.32332/adzkiya.v6i1.1169>
- [5]. Irwan, M. (2021). Kebutuhan Dan Pengelolaan Harta Dalam Maqashid Syariah. *Elastisitas - Jurnal Ekonomi Pembangunan*, 3(2), 160–174. <https://doi.org/10.29303/e-jep.v3i2.47>
- [6]. Kurniawan, C. (2017). Analisis faktor-faktor yang mempengaruhi perilaku konsumtif ekonomi pada mahasiswa. *Jurnal Media Wahana Ekonomika*, 13(4), 107–118. <https://jurnal.univpgri-palembang.ac.id/index.php/Ekonomika/article/view/2709>
- [7]. Lisdiana, D., & Setiyono, W. P. (2022). The Effect of Life Style, Self Control and Financial Literacy on Financial Management with Consumptive Behavior as A Moderating Variable. *Indonesian Journal of Innovation Studies*, 20, 1–15. <https://doi.org/10.21070/ijins.v20i.709>

- [8]. Mak, M. K. Y., & Ip, W. H. (2017). An exploratory study of investment behaviour of investors. *International Journal of Engineering Business Management*, 9, 1–12. <https://doi.org/10.1177/1847979017711520>
- [9]. Mashuri, M. (2018). Faktor-faktor Investasi Dalam Pandangan Islam. *IQTISHADUNA: Jurnal Ilmiah Ekonomi Kita*, 7(2), 144–151.
- [10]. Nasution, I. F. (2016). *Bisnis & Investasi Dalam Islam*.
- [11]. Putra, T. W. (2018). *Investasi Dalam Ekonomi Islam*. *Ulumul Syar,I*, 7(2), 49–57.
- [12]. Rafidah, R., Alawiyah, R., & Muliyan, M. (2020). Pengaruh Literasi Keuangan Syariah, Religiusitas Dan Gaya Hidup Terhadap Perilaku Konsumtif Pada Mahasiswa. *Jurnal Economina*, 1(1), 49–62. <https://doi.org/10.55681/economina.v1i1.25>
- [13]. Rahmat, A., Asyari, A., & Puteri, H. E. (2020). Pengaruh Hedonisme dan Religiusitas Terhadap Perilaku Konsumtif Mahasiswa. *EKONOMIKA SYARIAH : Journal of Economic Studies*, 4(1), 39. <https://doi.org/10.30983/es.v4i1.3198>
- [14]. Rosdiana, R. (2020). Analysis of investment interests, motivation, social environment, financial literacy (comparative study of generation z and millennial generation). *International Journal of Business, Economics and Law*, 22(1), 111–121. [https://www.ijbel.com/wp-content/uploads/2020/10/IJBEL22\\_239.pdf](https://www.ijbel.com/wp-content/uploads/2020/10/IJBEL22_239.pdf)
- [15]. Saidy, E. N., & Katman, M. N. (2022). Pengaruh Religiusitas dan Uang Saku Terhadap Pola Konsumsi Rasional. *At Tawazun: Jurnal Ekonomi Islam*, 2(1), 1–15.
- [16]. Sakinah. (2014). *Investasi Dalam Islam*. *Iqtishadia*, 1(2), 248–262. <https://doi.org/10.19105/iqtishadia.v1i2.483>
- [17]. Savanah, A. N., & Takarini, N. (2021). Analisis Faktor-Faktor Yang Mempengaruhi Minat Investasi Keuangan Pada Mahasiswa Manajemen UPN “Veteran” Jawa Timur. *Jurnal Sosial Ekonomi Dan Politik*, 2, 84–92. <http://www.jsep.sasanti.or.id/index.php/jsep/article/view/37/32>
- [18]. Setyorini, N., & Indriasari, I. (2020). Does millennials have an investment interest? theory of planned behaviour perspective. *Diponegoro International Journal of Business*, 3(1), 28–35. <https://doi.org/10.14710/dijb.3.1.2020.28-35>
- [19]. Upadana, I. W. Y. A., & Herawati, N. T. (2020). Pengaruh Literasi Keuangan dan Perilaku Keuangan terhadap Keputusan Investasi Mahasiswa. *Jurnal Ilmiah Akuntansi Dan Humanika*, 10(2), 126. <https://doi.org/10.23887/jiah.v10i2.25574>
- [20]. Utami, D. S., & Sirine, H. (2016). Faktor-Faktor Yang Memengaruhi Perilaku Menabung Di Kalangan Mahasiswa. *Jurnal Ekonomi Dan Bisnis*, 19(1), 27–52.
- [21]. Wulansari, D., Nurohman, Y. A., & Qurniawati, R. S. (2020). Pengeluaran Konsumsi Mahasiswa Muslim Pada Era Digital. *Among Makarti*, 13(1), 64–77. <https://doi.org/10.52353/ama.v13i1.191>