THE EFFECT FINANCIAL LITERACY AND FINANCIAL TECHNOLOGY TO SUSTAINABILITY OF CAPITAL MARKET INVESTORS IN THE CITY OF BANDUNG

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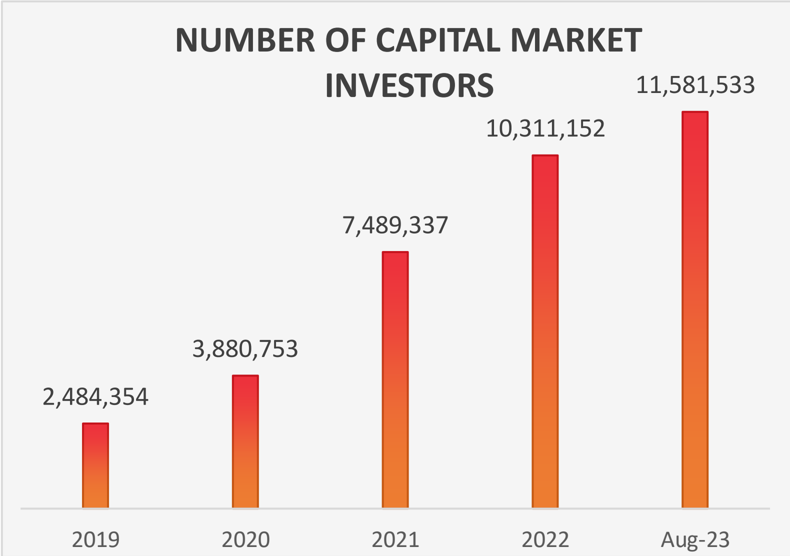
ABSTRACT
This research aims to determine the Effect of financial literacy and fintech on the sustainability of capital market investors in the city of Bandung. The population in this research is capital market investors who have opened accounts on securities applications in Bandung City. Total 100 samples with sample determination calculations using the Taro Yamane formula. This sampling technique uses a nonprobability sampling approach, namely Purposive Sampling. The statistical analysis instrument uses validity test, reliability test, classical assumption test, multicollinearity test, heteroscedasticity test, auto correlation test, multiple linear regression analysis, coefficient of determination analysis, t test, and f test with the help of SPSS version 26 software. The research results show that financial literacy and fintech are included in the "good" category and investor sustainability in the capital market is included in the "good" category. The results of partial and simultaneous analysis of financial literacy and fintech have a significant Effect on the sustainability of capital market investors in the city of Bandung.

Keywords : *financial literacy, financial Technology, sustainability investors*

1. INTRODUCTION

The financial crisis had an impact on the Indonesian economy. One of the efforts that must be made is to maintain economic stability to accelerate economic growth. One of the activities to support the pace of Indonesia's economic growth is to invest. Investment needs refer to individuals who have met their basic needs, in this case economic activity grows into investment. Investment in the capital market sector is one of the investment alternatives that has been widely available to the wider community since the opening of the Indonesia Stock Exchange (IDX). The IDX distribution network is recorded to have spread across 30 representative offices, 710 investment galleries, and 448 investment communities. The IDX is also targeting the addition of 100 new investment galleries by 2023, this is driven by the continued growth of retail investors from year to year.(dataindonesia.id). So that there has been growth in the number of Indonesian investors increasing over the past 5 years not only among the elderly, among young people also participated in investing even though not a few of them experienced losses. This can be proven by data on the significant increase in capital market investors in August 2023.



Source: KSEI, 2023

Figure 1. Growth in the Number of Capital Market Investors

Of the many people who invest not only because of their great interest, many of them only follow the current trend. Herding Behavior leads to behavior that follows the actions of others because it is Effect by information about investment decisions made by certain groups or individuals who are more experienced. (Sihotang & Pertiwi, 2021). They are aware that current developments require everyone to be aware of the importance of investing, but their awareness is not matched by their financial knowledge. People who have invested by opening accounts in various securities applications, however, most of them do not understand the level of performance offered (return) and the level of risk (risk).

With a high Herding Behavior attitude in the midst of society, many of them make investments that do not last long. Because they feel disadvantaged by making these investments. Apart from not planning for the risks that will occur, it turns out that they do not analyze and evaluate the investment performance of each investment instrument. Investor analysis of their investment results must be compared with the current stock market index prevailing on the exchange. These market indices include individual instrument indices and the composite stock price index published by the stock exchange authority, or by the capital market supervisor. Therefore, understanding financial literacy is important for both novice investors and investors who have enough experience in exploring the world of investment to allocate the financial resources they have. Not only financial literacy, financial technology is also an important aspect to consider so that every individual has the same access / financial services when investing. There is a relationship between Financial Technology, Financial Literacy and the sustainability of capital market investors. Increasing financial literacy can contribute to the welfare of society, because increasing financial literacy reflects that Indonesians, especially Bandung City, are becoming more knowledgeable about what Financial Technology is so that it makes them interested in investing.

2. LITERATURE REVIEW

Lusardi (2014) in Amanita (2017) states that financial literacy consists of a number of abilities and knowledge about finance possessed by a person to be able to manage or use a certain amount of money to improve their standard of living and aim to achieve welfare. Financial literacy is closely related to behavior, habits and Effects from external factors.

According to Nababan and Sadalia (2012) in Modalrakyat.com (2022) there are five aspects of financial literacy as follows:

1. Basic personal finance is an understanding of the financial system such as inflation, compound interest, asset liquidity, and others.
2. Money management is an understanding of how an individual manages personal assets.
3. Credit debt management is the process or activity of collecting information about credit debt.
4. Savings and investment is the understanding of funds that are not to be consumed and funds used for profitable economic activities.
5. Risk management is the knowledge of uncertainty in financial management so as to minimize the risk of loss.

Financial Technology is a technologically enabled financial innovation that can generate new business models, applications, processes or products with related material effects on financial markets, financial institutions and the provision of financial services (Mukti et al., 2017). Financial Technology is also defined as technological innovation in financial services that can generate business models, applications, business processes or products that have a significant impact on business activities related to the provision of financial services (Sawarjuwono and Kadir, 2003).

Unified Theory of Acceptance and Use of Technology (UTAUT) 2 according to Venkatesh (2003) in (Lailatul, 2022) there are several variables:

1) Performance expectancy measures how confident a person is that using a system can help achieve work performance.
2) Effort expectancy refers to the ease with which a person thinks about using a system
3) Social Effect the extent to which a person considers it important for others to convince him to use a new system.
4) Facilitating conditions are considered as a person's belief in the facilities in their environment to make a person's belief in accepting a technology.
5) Hedonic motivation is defined as pleasure derived from the use of technology/systems, and has been shown to play an important role in determining the acceptance and use of technology.
6) Behavioral intention is defined as a person's perceived likelihood or subjective likelihood that someone will engage in a given behavior.
7) Trust is an attitude and level of person's trust in a situation to the risk of online activities that are vulnerable to exploitation
8) Security is an personal perception of the level ofsecurity and minimum risk in utilizing technology

Sustainability is the development to continue for a long period of time by optimizing existing resources. According to Nurvita (2022) there are several indicators of consideration in the sustainability of investors to invest as follows:

1. Experiencing losses so that investors are reluctant to continue their investment. This usually happens to novice investors who do not understand so they do not want to take further risks, it is better to just stop investing.
2. Experiencing profits in investing, because they have benefited at the beginning so they want to want more and dare to make decisions with higher risks
3. Herding Behavior or behavior that tends to follow the actions of others because it is affected by the information obtained regarding investment sustainability.

3. DATA AND RESEARCH TECHNIQUE ANALISYS

The research methods used in this study are descriptive and verification methods with a quantitative approach. The research data uses primary data with the data collection method using the media distributing questionnaires that use an interval scale in the form of a Likert scale that produces strongly agree answers to strongly disagree answers with a value range of 1 - 5 (Sugiyono, 2017). The analytical tool used in this research is quantitative data analysis, to quantitatively estimate the direct and indirect effects of several independent variables on the dependent variable. The direct effect between the independent variable and the independent variable can be done by multiple linear regression analysis.

The sampling technique that will be used in this study is nonprobability sampling with purposive sampling method. According to Sugiyono (2021: 131) nonprobability sampling is a sampling technique that does not provide equal opportunities or opportunities for each element of the population to be selected as a sample. According to Sugiyono (2021: 133). In this researcher, the population is investors who have invested or for those who have opened a capital market account in the city of Bandung, totaling 194,180 investors.

In determining the sample in this study using the Taro Yamane formula (Riduwan, 2015: 65). Determination of the sampling amount in the following:

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

Description:
n = Number of samples required
N = Number of known samples
d = Precision set

In this study, the authors used an error tolerance (sampling error) of 10%

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

$$n = \frac{194.180}{194.180(0,1)^2 + 1}$$

$$n = \frac{194.180}{194.180(0,01) + 1}$$

$$n = \frac{194.180}{1942,8}$$

n = 99.95 which is rounded up to (100)

So from the results of the calculation using the name Taro Yamane, with a leeway of 10%, the minimum sample size in this study was 99.95 which was rounded up to 100 respondents. With the distribution of questionnaires, it will be distributed to Bandung City investors proportionally based on the number in the hope that this proportion can represent the entire population.

4. RESULT AND DISCUSSION

Reliability Test

Table 1. Financial Literacy Reability Test Results

VARIABLE	N *OF ITEM*	*CRONBACH'S ALPHA*	R VALUE	DESCRIPTION
FINANCIAL LITERACY (X1)	5	0,683	0,60	Reliable
FINANCIAL TECHNOLOGY (X2)	10	0,852	0,60	reliable
SUSTAINABILITY INVESTOR (Y)	6	0,606	0,60	reliable

Source: Data processed by researchers, 2024

Based on Table 1. above, it can be seen that the reliability coefficient on all variables is greater than 0.6, so it can be concluded that the Croanbach Alpha value is greater than 0.6 for all variables so that this research is declared reliable.

Classical Assumption Test

Table 2. Data Normality Test Results

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		100
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	1.70990175
Most Extreme Differences	Absolute	.045
	Positive	.043
	Negative	-.045
Test Statistic		.045
Asymp. Sig. (2-tailed)		.200[c,d]

Source: Data processed by researchers, 2024

Based on Table 2. normality test above, it is obtained that the results of the data normality test are known to have a significant value of 0.200> 0.05. So it can be said that the residual value is normally distributed.

Table 3. Multicollinearity Test Results

Coefficients[a]

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Financial Literacy	.655	1.527
	Financial Technology	.655	1.527

Source: Data processed by researchers, 2024

Based on Table 3. the results of the multicollinearity test can be seen that the Tolerance value of the two variables (Financial Literacy (X1) and Financial Technology (X2)) > 0,10. In addition, the VIF value of the two variables (Financial Literacy (X1) and Financial Technology (X2)) < 10.00. So it can be concluded that there are no multicollinearity symptoms in the regressionn model.

Table 4. Auto Correlation Test Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.726[a]	.527	.518	1.727	1.803

Source: Data processed by researchers, 2024

Based on Table 4. it can be seen that the Durbin-Watson test is 1.803 This value will then be compared with the Dubrin-Watson table value at 5% significance with the formula (k; N). The number of independent variables is 2 or k = 2 and the number of samples or N = 100. Then obtained (k; N) = (2; 100). Then based on the distribution of the Durbin-Watson value, it is found that the dL (lower limit) value is 1.633 and the dU (upper limit) value is 1.715. So, the Durbin-Watson (d) value obtained from the output above of 1.803 is between du < 4-du, namely 1.715 < 1.803 < 2.285. and it can be concluded that there is no autocorrelation in the regression model in this study.

Multiple Linear Regression

Table 5. Multiple Linear Regression Analysis Results

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		

1	(Constant)	8.863	1.504		5.891	.000
	Financial Literacy	.483	.083	.505	5.857	.000
	Financial Technology	.151	.043	.304	3.521	.001

Source: Data processed by researchers, 2024

From the results of the regression equation, each variable can be interpreted as follows:
Y= $8{,}863+0{,}483x_1+0{,}151x_2$

From the results of the regression equation, each variable can be interpreted as follows:
1. The constant value of 8.863 means that if all financial literacy variables (X1) and financial technology (X2) are 0 (zero) and there is no change, investor sustainability will be worth 8.863.
2. The variable value of financial literacy (X1) of 0.483 means that assuming financial technology is fixed (unchanged), then for each increase in financial literacy (X1) by 1 unit will increase investor sustainability by 0.483.
3. The value of financial technology (X2) of 0.151 means that assuming Financial Literacy is fixed (unchanged), then for each increase in Financial Technology by 1 unit will increase Sustainability Investors by 0.151.

Table 6. Results of the Coefficient of Determination Analysis

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.726[a]	.527	.518	1.727

Source: Data processed by researchers, 2024

Based on Table 6. the results of the coefficient of determination analysis found the value (R-Square) to be 0.527 or 52.7%. So the financial literacy and financial technology variables show a contribution of 52.7% on the other hand with 47.3% (100% - 52.7%) which shows that it is Effectd by other factors or other variables outside this regression equation (variables not examined).

Table 7. Financial Literacy t-test results on Sustainability Investor

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	8.863	1.504		5.891	.000
	Financial Literacy	.483	.083	.505	5.857	.000

Source: Data processed by researchers, 2024

Based on the results of the t test in Table 7. shows that the significance value of the impact of financial literacy on sustainability investors is 0.000 <0.05, and the value of 5.891> the value of 1.660, it can be concluded that it is rejected (effect) and accepted or there is a significant effect of financial literacy on sustainability investors.

Table 8. Financial Technology t-test results on Sustainability Investor

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	8.863	1.504		5.891	.000
	Financial Technology	.151	.043	.304	3.521	.001

Source: Data processed by researchers, 2024

Based on the t test results in Table 8. shows that the significance value of the impact of financial technology on sustainability investors is 0.001 <0.05, and the value of 3.521> the value of 1.985, it can be concluded that it is rejected (effect) and accepted or there is a significant effect of financial literacy on sustainability investors.

Table 9. Simultaneous Hypothesis Test Results

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	323.137	2	161.569	54.144	.000[b]
	Residual	289.453	97	2.984		
	Total	612.590	99			

Source: Data processed by researchers, 2024

Based on table 9. a value can be obtained with and = 100 - 2 - 1 = 97 of 3.090. The result of 54.144 is greater than 3.090 and when viewed from a significant value of 0.000 is smaller than 0.05. So it can be said together that financial literacy and financial technology affect the sustainability of capital market investors in Bandung City.

The Effect of Financial Literacy on Sustainability Investors

It can be concluded that there is a significant Effect between financial literacy on investor sustainability. This indicates that investors' understanding of how to invest in the capital market is good enough. In the instruments available, investors already understand the meaning of terms in investments such as dividends, dollar cost averaging, portfolio diversification. In addition, financial literacy in investors in Bandung City is able to interpret the meaning of risk and return in investing, this means that people with financial literacy will be able to understand that there cannot be a high return that provides low risk and this is in accordance with the golden rule of investment that high risk high return.

The results of this test support and are in line with research conducted by Junghong (2023). and Apriando (2018) which shows that financial literacy has a significant effect.

The Effect of Financial Technology on Sustainability Investors

It can be concluded that there is a significant Effect between financial technology on investor sustainability. This means that the existence of financial technology makes it easier for investors to access various features in the securities application for investing. It can be seen from the answers of investor respondents in Bandung City through the performance expectancy and effort expectancy indicators that they feel that there is a securities application to invest and continue their investment to achieve the benefits they expect because financial technology not only provides convenience but also makes investors in Bandung City able to plan their investments anywhere and anytime. return.

The results of this test support and are in line with research conducted by Lemiyana (2022) and Valen et al (2023) which shows that financial technology has a significant effect.

The Effect of Financial Literacy and Financial Technology on Sustainability Investors Simultaneously

It can be concluded that there is a significant Effect between financial literacy and financial technology on investor sustainability. So it can be said together that financial literacy and financial technology affect the sustainability of capital market investors in Bandung City. However, with the ease of investment through financial technology must be balanced with financial literacy because if the higher the understanding of financial technology and financial literacy, the higher the sustainability of investors in the capital market. Likewise, on the contrary, if using financial technology is not balanced with financial literacy, there will be losses because as explained earlier that investors must understand the golden rule of investment that high risk high return or in other words there cannot be a high return that provides low risk. The results of this test support and are in line with research conducted by Budyastuti (2021), Winda et al (2022) and Theressa et al (2022) which show that financial literacy and financial technology have a significant effect.

5. CONCLUSION

Based on research on the effect of financial literacy and fintech on the sustainability of capital market investors in Bandung City. The financial literacy variable (X1) has a significant positive effect on investor sustainability (Y). then this shows that if the better the financial literacy, the sustainability of investors will also increase. So if investors have a low level of financial literacy, they will face problems in terms of investing; Fintech variable (X2) has a significant positive effect on investor sustainability (Y). So this means that if Fintech is getting better, it will also increase in terms of investor sustainability. Due to the understanding, use and convenience of fintech is maximized enough; and Financial literacy variables (X1) and fintech (X2) simultaneously have a positive significant effect on the sustainability investor variable (Y). Because financial literacy is able to change investors to be more sustainable towards the investment they have proposed.

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