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The Influence of Financial Literacy, Income, and Lifestyle on Investment Decisions among College Students in the Greater Bandung Area

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ABSTRACT

This research investigates the influence of financial literacy, income, and lifestyle on investment decisions among college students in the Greater Bandung Area. The study uses a quantitative approach with a causal-explanatory design. A structured questionnaire was distributed to 200 students in the region, and the collected data was analyzed using descriptive statistics and regression analysis. The research findings indicate that financial literacy, income, and lifestyle all significantly and positively affect investment decisions. Among the three variables, financial literacy showed the strongest influence on investment decisions, followed by lifestyle and income. The analysis revealed that as financial literacy increases, students are more likely to make informed and careful investment decisions. Similarly, a higher income provides students with more resources and opportunities to invest, and a responsible lifestyle encourages more prudent financial management. Based on these findings, it is recommended that universities and colleges integrate financial literacy and investment behavior education into their curricula, as these skills are essential for students to achieve long-term financial security and success.

Keywords: *financial literacy; income; lifestyle; investment decisions; college students; greater Bandung*

1. INTRODUCTION

Generation Z, born between 1997 to 2015, is known as a generation highly connected to digital technology. According to OJK, Generation Z can become a long-term investment segment and should be nurtured from an early age. Generation Z is expected increase the economy the demographic bonus period from 2030 to 2045. However, one of the characteristics that has developed in Generation Z is a consumerist attitude that is unrelated to essential needs. Although many members of Generation Z have started investing, most still feel that they only possess basic knowledge and believe they need to learn more about investing (Faidah, 2019; Nurrohmah, 2020).

The failure of Generation Z to effectively engage in investing could have significant long-term consequences, particularly in their ability to achieve financial independence in the future. As they face rising living costs, inflation, and an uncertain economic environment, the inability to make informed investment decisions or build wealth early on could leave them struggling to maintain financial security. Without the right financial planning and investment habits, Generation Z might find themselves dependent on their income throughout their working years, unable to retire comfortably or build sufficient savings for emergencies (Aguas, 2024). In a rapidly evolving financial landscape, the lack of early investments could also limit their ability to capitalize on compounding returns, further hindering their potential for wealth accumulation (Renaldo dkk, 2020).

According to surveys, around 85 percent of them do not have savings, largely due to a lack of financial literacy (Harahap, et.al., 2022). Additionally, poor financial management habits are a major issue for many members of Gen Z. They tend to spend their earnings on consumable items like vacations, outings, dining, fashion, and beauty, with only a small portion allocated for investment. This situation reflects an imbalance between a consumerist lifestyle and proper financial planning. This consumerism phenomenon, which also affects college students, is influenced by the development of technology that makes access to daily needs easier without considering the importance of savings or investments for the future (Gunawan, et.al., 2022).

In this context, the decline in financial awareness among Gen Z may reduce their ability to manage personal finances, especially in terms of investment. Research by Veriwati et al. (2021) indicates that the future budget management are factors affecting their financial behavior. Therefore, this study focuses on four variables influencing student investment decisions: financial literacy, income, and lifestyle.

The first variable of interest is financial literacy, which refers to the ability to understand financial conditions and concepts, and to convert this knowledge into appropriate behavior. Financial literacy encompasses the ability to differentiate between financial options, talk about money and financial issues without discomfort, plan for the future, and respond competently to life events that affect daily financial decisions.

Financial literacy is essential for attaining a successful and fulfilling life. With effective financial management based on solid financial knowledge, individuals can enhance their standard of living. This is because, no matter how much money a person earns, without sound financial planning, achieving financial stability becomes challenging.

Along with financial literacy, a person's income plays a significant role in investment decisions. Investing requires capital, which can come from savings or loans. A combination of financial knowledge, income level, and experience in handling finances influences investment choices. Those with higher incomes and greater experience in financial management are better equipped to plan for their future, assess potential risks, and manage those risks effectively (Nababan & Sadalia, 2013).

On the other hand, the lifestyle factor reflects a person's habits, priorities, and how they spend their time, money, and energy in daily life (Kusnandar & Kurniawan, 2020). It also reveals how individuals manage their time, interests, and spending habits. There is a strong connection between lifestyle and financial behavior; the more effectively a person manages their lifestyle, the better their financial management tends to be (Azizah, 2020). Lifestyle can have a significant impact—those with more extravagant lifestyles often exhibit poorer financial behavior.

Financial behavior refers to how an individual manages, organizes, and controls their personal finances (Putri & Rahmi, 2019). People invest or engage in financial activities influenced by psychological factors. Financial behavior is an area of study that integrates various disciplines, so discussions on this topic cannot be separated. One of the most important components of financial behavior is the individual's investment decisions.

According to Martalena and Malinda (2011), investment is a form of financing consumption today to gain consumption in the future, where there is an element of risk and uncertainty that requires compensation for the delay. Fahmi (2015) also mentions that investment is often referred to as capital investment. This concept of investment is frequently promoted by the government to attract both domestic and foreign investors.

Investment decisions are decisions to allocate or place a certain amount of funds in specific investments with the goal of obtaining benefits in the future within a certain time frame. Investment decisions involve long-term periods, so the decisions made must be carefully considered because they have long-lasting impacts.

1.1. Financial Literacy

Financial knowledge is crucial for individuals to effectively manage their finances and make informed financial decisions. Sholeh (2019) defines financial literacy as the capacity to use one's financial knowledge to manage resources, ultimately improving one's quality of life. Acquiring financial knowledge and skills boosts individuals' confidence in managing their finances, making decisions, and allocating assets (Goso et al., 2022). It also involves the ability to make informed choices from a variety of financial options and the comfort level with discussing financial matters (Koto, 2021). Essentially, financial literacy encompasses a general understanding of financial management and the attitudes one holds toward finances. For anyone planning to invest, the key requirement is a solid foundation of financial knowledge, ensuring that their financial decisions are well-informed and aligned with clear objectives (Putri and Rahyuda, 2017).

1.2. Income

Income refers to the earnings individuals receive from various sources, such as salaries, sales, investments, or other means, in the form of money, goods, or even psychological satisfaction. It also serves as a measure of the well-being of an individual, family, household, or society as a whole. Without income, achieving economic progress becomes a challenge for any community (Luminatang, 2013 in Rahman and Risman, 2021). A person's income is largely determined by their employment in either the service or production sectors, as well as the amount of work they put in and their earnings per hour.Therefore, income is an important factor influencing financial and investment decisions because the greater the potential for making beneficial investments in the future increases with income.

1.3. Lifestyle

Lifestyle is an individual's way of living while carrying out activities, desires, and views on how they use their money (Azizah, 2020). In general, a person's lifestyle reflects the routine activities they engage in, how they view everything around them, how they take care of themselves, and their views about themselves and the outside world (Asisi, 2020). Lifestyle can also be defined as someone's habit of spending time (activities), things they consider useful in daily life (concerns), and their views on themselves and the world around them (Arif & Imsar, 2022). Lifestyle reflects a consumptive pattern, which shows an individual's choices in using their money (Hardiyanti, 2021). A well-managed lifestyle will support healthy financial behavior because someone with a prudent lifestyle is more likely to manage their finances better.

1.4. Investment Decisions

Investment decisions are personal choices made by an individual to allocate their money into various investments with the aim of gaining future returns. As Wulandari (2014) in Aristya (2019) explains, investment decisions involve directing funds into investments to secure profits later on. Essentially, making an investment is the process of deciding where to put your money with the expectation of earning a return (Budiarto and Susanti, 2017). Financially literate investors are more likely to understand the importance of long-term planning, compounding, and staying invested through market fluctuations rather than making impulsive, short-term decisions. Financial literacy allows individuals to build a diversified portfolio, which can minimize risks by spreading investments across different asset classes, sectors, and geographies. When you decide to invest, having sufficient financial knowledge is crucial to ensure your choices are well-informed and aligned with clear financial goals (Putri and Rahyuda, 2017). eing aware of economic trends, inflation rates, interest rates, and other macroeconomic factors enables investors to make informed decisions about when to enter or exit markets. In simpler terms, investment decisions are about selecting assets to manage with the intention of generating future profits (Ayu Wulandari and Iramani, 2014). Making sound investment choices involves managing your assets wisely to ensure they generate long-term returns that benefit your personal financial future.

1.5. The Influence of Financial Literacy on Investment Decisions

Remund (2010) defines financial literacy as an individual's ability to comprehend financial concepts, possess the necessary skills, and feel confident in making decisions regarding money management and financial planning, both for the short and long term, while taking into account economic conditions and current events (Dewanti and Haryono, 2021. This finding is supported by research from Baptista and Dewi (2021) and Napitupulu et al. (2021), which also demonstrate that financial literacy influences financial management behavior. This shows that good financial literacy equips individuals with the knowledge and skills to make sound financial decisions, including planning and managing investments.

H1: There is an influence of financial literacy on investment decisions.

1.6. The Influence of Income on Investment Decisions

To make an investment, an individual needs access to funds or capital, which can be sourced through personal savings or loans. Beyond just having financial knowledge, factors such as income level and past investment experience play a crucial role in shaping investment decisions. Higher income and greater experience in financial management allow individuals to better plan for the future, assess potential risks, and develop the ability to manage and tolerate those risks effectively (Nababan and Sadalia, 2013). In addition, an individual’s risk tolerance and decision-making capabilities improve as they gain more exposure to various financial situations and learn how to navigate challenges. This perspective is further supported by earlier research from Landang, Widnyana, and Sukadana (2021), Safitri and Yanuar (2021), and Safryani, Aziz, and Triwahyuningtyas (2020), which highlights the significant impact of income and experience on successful investment strategies. With a higher income and more experience, individuals are more likely to make informed and strategic financial decisions, ultimately leading to more effective wealth accumulation and long-term financial stability. This indicates that higher income provides individuals with more capacity to invest, while experience in managing income will affect how they manage personal finances, especially when planning and making wiser investment decisions.

H2: There is an influence of income on investment decisions.

1.7. The Influence of Lifestyle on Investment Decisions

Lifestyle can be defined as an individual's way of living in the world, expressed through activities, hobbies, and views that distinguish them from others in terms of spending money and how they wisely allocate their time, which is reflected in daily routines (Dewi et al., 2021). In this study, the indicators used to assess lifestyle are based on the framework developed by Gunawan et al. (2020). These indicators include activities, personal hobbies, self-perception,

perception of others, and characteristics. Lifestyle has a strong and significant influence on an individual's financial management behavior. These results are further reinforced by additional research from Dewi et al. (2021), Sampoerno and Asandimitra (2021), and Rozaini and Purwita (2021), which also demonstrate that an individual's lifestyle choices directly affect how they manage their finances. Furthermore, lifestyle not only reflects a person's preferences and habits but also plays a key role in shaping their financial attitudes, such as spending habits and saving practices. These results show that a person's lifestyle plays a significant role in determining their financial behavior, including in investment management, as a good lifestyle can reflect more prudent and well-planned financial management.

H3: There is an influence of lifestyle on investment decisions.

2. RESEARCH METHODS

Qualitative research is an approach aimed at understanding the phenomenon or issue under study in a deeper way, revealing various meanings, and identifying patterns in the data obtained. In this research, the type of study used is causal-explanatory, which focuses on finding cause-and-effect relationships between the variables being studied (Sugiyono, 2022). The researcher aims to explain and analyze the impact or influence of one variable on another. In this study, the researcher will examine how financial literacy, income, and lifestyle can influence investment decisions among students in Bandung City.

The population in this study includes all individuals or groups relevant to the research topic. The selected population is the people of Bandung City. However, due to the large number and the impossibility of making them all research subjects, this study will focus on a more specific sample.

For sample selection, a non-probability sampling method, namely purposive sampling, will be used. In this technique, the researcher intentionally selects the sample based on certain criteria considered relevant to the study. The sample in this study consists of students in Bandung City. Students are chosen as the sample because they are a group that is often involved in making financial decisions that may impact their investment behavior.

Table 1. Operationalization of Variables

Variables	Indicator	Item Num	Scale
Financial Literacy	Proficiency in managing personal finances can help us avoid becoming victims of financial fraud, as there are many financial fraud schemes today.	FL01	Likert (ordinal)
	One of the benefits of personal financial budgeting is that it can be used as a tool to examine the strengths and weaknesses of funds.	FL02	Likert (ordinal)
	My creditworthiness will improve if I can show records/evidence that I have never defaulted on payments.	FL03	Likert (ordinal)
	If interest rates rise, bond prices will fall.	FL04	Likert (ordinal)
	The main purpose of having insurance is to protect oneself from potential losses.	FL05	Likert (ordinal)
Income	I feel that my income is sufficient to meet my daily needs.	IN01	Likert (ordinal)
	I feel that my income is enough to maintain my financial well-being.	IN02	Likert (ordinal)
	I feel that my income is higher than the expenses I incur each month.	IN03	Likert (ordinal)
	I feel that the debt I currently have does not exceed my ability to repay it.	IN04	Likert (ordinal)
Lifestyle	I tend to buy things I want without thinking too much.	LI01	Likert (ordinal)

Variables	Indicator	Item Num	Scale
	I often spend money on shopping without paying attention to the budget I have set.	LI02	Likert (ordinal)
	I always make sure to prioritize expenses before buying goods or services.	LI03	Likert (ordinal)
	I try to save first before spending money on other things.	LI04	Likert (ordinal)
Investmen t Decisions	I am able to assess the safety and risk in investing (safety in an investment means minimal risk of loss).	ID01	Likert (ordinal)
	I can predict the factors of risk that relate to investments, which change over time.	ID02	Likert (ordinal)
	I can analyze the return (rate of return on capital) from the investments I make.	ID03	Likert (ordinal)
	I can understand investment growth, particularly regarding the value of money in the future.	ID04	Likert (ordinal)
	I can analyze the liquidity level (rate of return on capital) from the investments I make.	ID05	Likert (ordinal)

Primary data in this study will be collected through questionnaires distributed to the respondents. This questionnaire uses a Likert scale, which allows the researcher to measure the extent to which respondents agree or disagree with statements related to the research variables such as financial literacy, income, lifestyle, and investment decisions. The Likert scale typically has five levels, ranging from "Strongly Agree" to "Strongly Disagree," which helps measure the intensity of respondents' attitudes or views toward the presented items.

The data processing method in this study uses IBM SPSS 26.0, a statistical software widely used in social and business research data analysis. Below are the analysis techniques that will be used:

2.1. Descriptive Analysis

Descriptive analysis is used to describe and analyze the basic characteristics of the collected data. This technique will provide an overview of the frequency distribution, averages, and other statistics that describe the data from the respondents.

2.2. Verificative Analysis

Verificative analysis aims to test the accuracy and validity of the data collected, using various statistical tests as follows:

2.2.1. Validity Test

The validity test aims to ensure that the research instrument (in this case, the questionnaire) truly measures what it is supposed to measure, i.e., the variables relevant to the research. The validity test is conducted by calculating the correlation between the questionnaire items and the total score to ensure that each item in the questionnaire has a strong relationship with the intended construct. This Research is using pearson product moment to conduct the validity testing, with the minimum value of 0,300

2.2.2. Reliability Test

The reliability testing is used to measure the consistency or precision of the research instrument. One commonly used method is Cronbach's Alpha, which tests how well the items in the questionnaire are interrelated and consistent in measuring the same variable. The minimum value is 0,600

2.2.3. Classical Assumption Tests

2.2.3.1. Normality Test with One-Sample Kolmogorov-Smirnov

This test is conducted to examine whether the collected data follows a normal distribution. If the data is not normally distributed, data transformation or the selection of another analysis method may be necessary.

2.2.3.2. Heteroscedasticity Test with Scatterplots

This test aims to check whether the variance of residuals (errors) remains constant across all levels of the independent variables. Scatterplots are used to see if there are any patterns indicating heteroscedasticity.

2.2.3.3. Multicollinearity Test with Variance Inflation Factor (VIF)

This test is used to examine whether there is a very high correlation between independent variables in the regression model. If the VIF value is greater than 10, it indicates multicollinearity, which can affect the interpretation of regression results.

2.2.4. Hypothesis Testing

Hypothesis testing is conducted to examine the relationships or influences between the variables studied. Below are several hypothesis tests used:

The regression test is used to determine the relationship between independent variables (financial literacy, income, lifestyle) and the dependent variable (investment decisions). This test will show the extent to which independent variables affect the dependent variable.

The t-test is used to examine the significance of the influence of each independent variable on the dependent variable. This test will determine whether the effect of an independent variable is individually significant in predicting investment decisions.

The F-test is used to examine whether all independent variables together influence the dependent variable. The F-test will provide an overview of whether the regression model used in this study can explain the variance in investment decisions.

The coefficient of determination (R-squared) test is used to measure how much of the variance in the dependent variable can be explained by the independent variables in the regression model. A high R-squared value indicates that the regression model can explain most of the variability in the data.

3. RESULT

Table 2. Demographical Aspect

		Frequency	Percent
Gender	Female	116	58,0
	Male	84	42,0
Generation	Gen Z (born 1997-2015)	200	100,0
Occupation	College Student	189	94,5
	Magister Student	11	5,5
Domicile	Bandung City	168	84,0
	Bandung Regency	12	6,0
	Cimahi City	12	6,0
	West Bandung Regency	8	4,0
	Total	200	100,0

The sample consisted of 200 respondents, all from Generation Z, born between 1997 and 2015. Among them, 116 (58%) were female, and 84 (42%) were male. The majority of the respondents were college students, comprising 189 (94.5%) of the sample, while 11 (5.5%) were magister students. In terms of domicile, most respondents resided in Bandung City, accounting for 168 (84%) of the participants. Smaller proportions of the respondents lived in Bandung Regency (6%), Cimahi City (6%), and West Bandung Regency (4%). This demographic breakdown provides a comprehensive understanding of the participants' characteristics in the context of the study.

Table 3. Validity and Reliability

variable	no	pearson correlation	alpha cronbach	result
Financial Literacy	FL01	,614**	,659	valid, reliable
	FL02	,588**		valid, reliable
	FL03	,674**		valid, reliable
	FL04	,625**		valid, reliable
	FL05	,565**		valid, reliable
Income	IN01	,647**	,621	valid, reliable
	IN02	,726**		valid, reliable
	IN03	,652**		valid, reliable
	IN04	,710**		valid, reliable
Lifestyle	LI01	,662**	,656	valid, reliable
	LI02	,649**		valid, reliable
	LI03	,666**		valid, reliable
	LI04	,642**		valid, reliable
Investment Decision	ID01	,662**	,651	valid, reliable
	ID02	,611**		valid, reliable
	ID03	,654**		valid, reliable
	ID04	,663**		valid, reliable
	ID05	,642**		valid, reliable

The validity test using the Pearson product-moment correlation method indicates that all items are valid, as the correlation values for each item are greater than 0.300, demonstrating a strong relationship between the items and the variables they measure. The reliability test using Cronbach's Alpha reveals that the variables being tested are reliable, with a Cronbach's Alpha value above the accepted threshold (typically 0.70), confirming the consistency and stability of the measurement instrument.

Table 4. Descriptive of financial literacy

No	Indicator	1 (VL)	2 (QL)	3 (M)	4 (QH)	5 (VH)	Average	Meaning
FL01	Proficiency in managing personal finances can help us avoid becoming victims of financial fraud, as there are many financial fraud schemes today.	30	42	41	33	54	3,18	moderate
FL02	One of the benefits of personal financial budgeting is that it can be used as a tool to examine the strengths and weaknesses of funds.	36	28	44	52	40	3,15	moderate
FL03	My creditworthiness will improve if I can show records/evidence that I have never defaulted on payments.	44	28	37	44	47	3,10	moderate
FL04	If interest rates rise, bond prices will fall.	39	35	40	42	44	3,07	moderate
FL05	The main purpose of having insurance is to protect oneself from potential losses.	31	43	39	49	38	3,09	moderate
Average							3,12	moderate

The financial literacy score of 3.12, categorized as moderate, suggests that while students possess a general understanding of key financial concepts, they may not be fully applying this knowledge in their day-to-day financial decisions. This score indicates that the students are somewhat aware of basic financial principles such as budgeting, saving, and managing debt, but they might not consistently put these principles into practice. As a result, despite their awareness, they may not be making optimal financial choices or managing their finances in the most effective way, which could impact their ability to achieve long-term financial goals.

Table 5. Descriptive of income

No	Indicator	1 (VL)	2 (QL)	3 (M)	4 (QH)	5 (VH)	Average	Meaning
IN01	I feel that my income is sufficient to meet my daily needs.	33	46	34	46	41	3,07	moderate
IN02	I feel that my income is enough to maintain my financial well-being.	44	38	37	38	43	2,98	moderate
IN03	I feel that my income is higher than the expenses I incur each month.	41	44	32	39	44	3,00	moderate
IN04	I feel that the debt I currently have does not exceed my ability to repay it.	38	35	37	42	48	3,12	moderate
Average							3,04	moderate

The income score of 3.04, also moderate, reflects that students have an average understanding of how to manage their earnings. While they may understand the importance of budgeting and saving, the fact that their score is not higher suggests they might struggle with consistently applying these concepts. The moderate level indicates that students may not be fully utilizing their income to maximize their financial stability or to prepare for future financial needs, such as investing or saving for emergencies. In essence, students are aware of income management principles but may lack the discipline or the practical strategies to implement them effectively.

Table 6. Descriptive of lifestyle

No	Indicator	1 (VL)	2 (QL)	3 (M)	4 (QH)	5 (VH)	Average	Meaning
LI01	I tend to buy things I want without thinking too much.	39	38	29	43	51	3,13	moderate
LI02	I often spend money on shopping without paying attention to the budget I have set.	32	38	36	44	50	3,20	moderate
LI03	I always make sure to prioritize expenses before buying goods or services.	43	35	34	48	40	3,02	moderate
LI04	I try to save first before spending money on other things.	40	42	30	45	43	3,03	moderate
Average							3,10	moderate

Regarding lifestyle, with a score of 3.10, the results show that students possess a moderate understanding of the role lifestyle choices play in their financial well-being. While they may be aware of the significance of living within their means and making responsible financial decisions, they are not consistently applying these principles. The moderate score suggests that students may be susceptible to consumerism or impulsive spending, which can negatively impact their financial health. Thus, although students acknowledge the importance of a balanced lifestyle, they might struggle to consistently adopt modest and frugal behaviors that support long-term financial success.

Lastly, the investment behavior score of 3.10 indicates a moderate level of awareness about the importance of investing for future financial growth. Students may understand the basic concepts of investments, such as stocks, bonds, or mutual funds, but they might not actively engage in or prioritize investment activities. This score suggests that while students may recognize the need for investments, they may lack the confidence, knowledge, or resources to begin investing, or they may be hesitant to take the risks associated with investment decisions. Thus, the gap between knowledge and action remains, and students may miss opportunities to grow their wealth through investments.

Table 7. Descriptive of investment decisions

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No	Indicator	1 (VL)	2 (QL)	3 (M)	4 (QH)	5 (VH)	Average	Meaning
ID01	I am able to assess the safety and risk in investing (safety in an investment means minimal risk of loss).	40	34	44	43	39	3,02	moderate
ID02	I can predict the factors of risk that relate to investments, which change over time.	30	28	42	49	51	3,30	moderate
ID03	I can analyze the return (rate of return on capital) from the investments I make.	47	37	39	33	44	2,94	moderate
ID04	I can understand investment growth, particularly regarding the value of money in the future.	36	42	39	45	38	3,02	moderate
ID05	I can analyze the liquidity level (rate of return on capital) from the investments I make.	36	32	41	35	56	3,20	moderate
Average							3,10	moderate

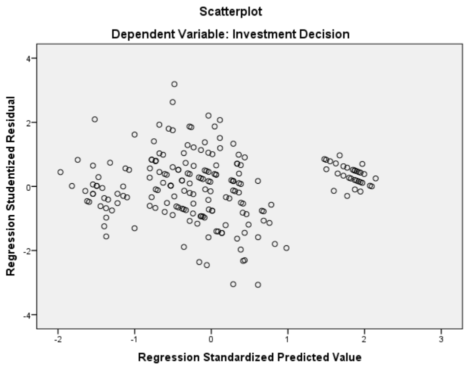

Figure 1 The heteroscedasticity test

Table 8. Normality test (One-Sample Kolmogorov-Smirnov Test)

		Unstandardized Residual
N		200
Normal Parameters[a,b]	Mean	0E-7
	Std. Deviation	3,41558540
Most Extreme Differences	Absolute	,059
	Positive	,058
	Negative	-,059
Kolmogorov-Smirnov Z		,835
Asymp. Sig. (2-tailed)		,489
a. Test distribution is Normal		
b. Calculated from data		

The normality test using the One-Sample Kolmogorov-Smirnov test shows that the significance value (sig) is greater than 0.05, indicating that the data follows a normal distribution and can be used in further parametric analysis.

The heteroscedasticity test using a scatterplot shows a uniform distribution of residuals, with no visible pattern indicating that the variance of the residuals is constant across all levels of the independent variables. This suggests that there are no issues with heteroscedasticity in the data.

Table 9. Multicollinearity Testing

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	3,240	1,009		3,212	,002		
	Financial Literacy	,306	,074	,288	4,113	,000	,572	1,748
	Income	,230	,077	,197	2,985	,003	,646	1,548
	Lifestyle	,380	,081	,313	4,668	,000	,624	1,602

a. Dependent Variable: Investment Decision

The multicollinearity test using the Variance Inflation Factor (VIF) of Financial Literacy is 1,748, Income is 1,548, and Lifestyle is 1,602, reveals that all VIF values are below 10, indicating that there is no significant multicollinearity between the independent variables, and each variable provides unique and valuable information for the regression model.

Table 10. t-test and regression equation

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3,240	1,009		3,212	,002
	Financial Literacy	,306	,074	,288	4,113	,000
	Income	,230	,077	,197	2,985	,003
	Lifestyle	,380	,081	,313	4,668	,000

a. Dependent Variable: Investment Decision

$Y = a + b1x1 + b2x2 + b3x3$

Investment Decision=3.240+(0.306×Financial Literacy)+(0.230×Income)+(0.380×Lifestyle)

The constant (3.240) represents the baseline value of the investment decision when all independent variables are zero. The coefficient for financial literacy (0.306) indicates that for every 1 unit increase in financial literacy, the investment decision is expected to increase by 0.306, holding other variables constant. The income coefficient (0.230) suggests that for each 1 unit increase in income, the investment decision will increase by 0.230, while holding the other factors constant. Lastly, the lifestyle coefficient (0.380) shows that for every 1 unit increase in lifestyle, the investment decision will increase by 0.380, with other variables controlled. This implies that lifestyle has the strongest positive impact on investment decisions compared to financial literacy and income, according to the results of this study.

In hypothesis testing, a p-value is used to determine whether the results of a test are statistically significant. The threshold for significance is typically set at 0.05. If the p-value is less than 0.05, the null hypothesis (H_0) is rejected, and the alternative hypothesis (H_1) is accepted, indicating that there is a significant relationship between the variables being tested. Based on the table above, we can derive the hypothesis testing in this research:

- H_0 (Null Hypothesis): There is no significant influence of financial literacy on
- H1 (Alternative Hypothesis): There is a significant influence of financial literacy on investment decisions.
- H_0 (Null Hypothesis): There is no significant influence of income on investment decisions.
- H2 (Alternative Hypothesis): There is a significant influence of income on investment decisions.
- H_0 (Null Hypothesis): There is no significant influence of lifestyle on investment decisions.
- H3 (Alternative Hypothesis): There is a significant influence of lifestyle on investment decisions.

For H1, which tests the influence of financial literacy on investment decisions, the p-value is 0.000. Since this value is less than 0.05, we reject the null hypothesis (H_0) and accept the alternative hypothesis (H_1). This means that financial literacy has a significant influence on investment decisions. Furthermore, because the coefficient for financial literacy is positive, we can conclude that as financial literacy increases, the likelihood of making better investment decisions also increases among college students in the Greater Bandung Area.

Similarly, for H2, testing the influence of income on investment decisions, the p-value is 0.003, which is also less than 0.05. As a result, we reject H_0 and accept H_1, confirming that income significantly influences investment decisions. The positive relationship indicates that as income increases, students are more likely to make informed and effective investment decisions. Therefore, a higher income contributes positively to better investment choices.

Lastly, for H3, which examines the impact of lifestyle on investment decisions, the p-value is 0.000, again less than 0.05. This allows us to reject H_0 and accept H_1, suggesting that lifestyle does have a significant influence on investment decisions. The positive influence means that as students' lifestyle choices become more financially responsible, they are more likely to make prudent investment decisions.

The F-test is used to determine whether the independent variables, as a whole, have a statistically significant effect on the dependent variable. It tests if there is an overall relationship between the independent variables (in this case, financial literacy, income, and lifestyle) and the dependent variable (investment decisions). The significance level for the F-test is also typically set at 0.05.

Table 11. F-test

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1887,921	3	629,307	53,129	,000[b]
	Residual	2321,579	196	11,845		
	Total	4209,500	199			
a. Dependent Variable: Investment Decision						
b. Predictors: (Constant), Lifestyle, Income, Financial Literacy						

Since the p-value is less than 0.05, we can conclude that there is a significant relationship between the combined effects of financial literacy, income, and lifestyle on investment decisions. This indicates that these three variables, together, contribute significantly to influencing investment decisions among college students in the Greater Bandung Area.

Table 12. adjusted r-square

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,670[a]	,448	,440	3,44163
a. Predictors: (Constant), Lifestyle, Income, Financial Literacy				
b. Dependent Variable: Investment Decision				

The value of Adjusted R-Square is 0.440, which means that approximately 44% of the variability in investment decisions can be explained by the combined influence of financial literacy, income, and lifestyle. it indicates that these three variables (financial literacy, income, and lifestyle) have a substantial influence on the investment decisions of college students in the Greater Bandung Area, but there is still 56% of the variability that may be explained by other factors not included in the model.

3.1. Discussion

The results of this study provide valuable insights into how financial literacy, income, lifestyle, and investment decisions are interconnected, particularly among college students in the Greater Bandung Area. These findings are consistent with prior research, contributing to a deeper understanding of how these factors shape financial behavior.

Firstly, the research found that financial literacy plays a significant and positive role in influencing investment decisions. This aligns with the work of Zahriyan (2016) and Gunawan et al. (2020), who described financial literacy as a multi-dimensional concept that includes basic financial knowledge, savings, loans, insurance, and investments. These elements are crucial for making informed financial choices and were shown to significantly impact investment decisions. Supporting this, earlier studies by Rachmawati and Nuryana (2020) also emphasize that financial literacy has a positive influence on financial management behavior. This research builds on these findings by showing that college students with higher financial literacy tend to make more thoughtful and strategic investment decisions. As individuals acquire more knowledge about different financial products, they are better equipped to evaluate risks and make decisions that align with their long-term financial goals.

The study also found that income is a key factor in shaping investment decisions. This finding supports the arguments made by Nababan and Sadalia (2013), who suggested that individuals with higher incomes are better positioned to manage their finances for the future, considering potential risks and their capacity to bear those risks. This is especially relevant for investment decisions, as higher income provides the financial flexibility to invest and diversify one's portfolio. Additionally, studies by Safryani, Aziz, and Triwahyuningtyas (2020) reinforces those findings, showing that college students with higher incomes are more likely to participate in investment activities and make more well-informed decisions regarding their investments.

Lastly, lifestyle was identified as another important factor that influences investment decisions. As defined by Dewi et al. (2021), lifestyle encompasses an individual's patterns of activity, interests, and spending habits, reflecting their values and priorities in life. The results of this study support the conclusions of Dewi et al. (2021), Sampoerno and Asandimitra (2021), and Rozaini and Purwita (2021), who argue that lifestyle choices significantly impact financial behavior, including investment decisions. This study further demonstrates that an individual's lifestyle can shape their approach to financial management and investment decisions, as lifestyle influences how people allocate their resources and prioritize their financial goals.A well-managed and financially prudent lifestyle encourages individuals to allocate their resources effectively, plan for the future, and make thoughtful investment decisions. This research reinforces the idea that lifestyle, through daily routines and consumption patterns, can directly influence how individuals approach financial matters, including their willingness to take on investment risks and make long-term financial commitments.

4. CONCLUSION AND SUGGESTIONS

4.1. Conclusion

In conclusion, the results of this study support all three hypotheses proposed in the research. First, the hypothesis that financial literacy influences investment decisions (H1) is confirmed, as the findings indicate that higher financial literacy leads to more informed investment choices. Second, the hypothesis that income influences investment decisions (H2) is also supported, as individuals with higher income levels tend to have more capacity and confidence in making investment decisions. Lastly, the hypothesis that lifestyle influences investment decisions (H3) is validated, as individuals with a well-planned and prudent lifestyle are more likely to engage in sound investment behavior. Therefore, it can be concluded that financial literacy, income, and lifestyle each play a significant and positive role in shaping investment decisions among college students in the Greater Bandung Area.

4.2. Suggestion

It is strongly recommended that universities and colleges in the Greater Bandung Area implement financial literacy and investment behavior as core topics in their curricula. Integrating these topics would provide students to make informed financial decisions, particularly in the context of personal finance and investment.

Financial literacy education should cover not only the basics of budgeting, saving, and investing but also more advanced topics, such as risk management, asset diversification, and long-term financial planning. This would empower students to approach financial decisions with greater confidence and responsibility, laying a strong foundation for their financial futures.

universities should also emphasize the importance of wise income management and encourage students to adopt a more modest, non-hedonistic lifestyle. By teaching students how to use their income wisely, universities can help them avoid wasteful spending and develop healthier financial habits.

For future research, it is advisable to expand the scope of the study beyond just Bandung and the Greater Bandung Area, incorporating other cities to provide a more comprehensive understanding of investment behavior across different regions. This would allow for a more generalized conclusion that can be applied to a wider population.

Future studies could benefit from including more variables that may influence investment behavior, such as financial goals, risk tolerance, or external economic factors. By exploring these additional factors, researchers can gain a deeper insight into the complexities of investment decisions.

Increasing the number of respondents would enhance the reliability and validity of the findings, providing a stronger data set for analysis and helping to ensure that the results are representative of a larger, more diverse population.

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