The Role of Financial Self Efficacy in Moderating the Influence of Investment Knowledge and Financial Literacy on Investment Intention in the Capital Market among Millennials

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Abstract: The rapid development of the global economy requires millennials to be more sensitive to financial instruments or discussions about finance. Investment itself is an investment to get profits at a later date. Capital can be in the form of money or other resources. Investment is prioritized for the future, not in the short or near term. This study aims to analyze the effect of investment knowledge and financial literacy on investment intention in the capital market in the millennial generation moderated by financial self-efficacy.

The population of this study were all students of the S1 Accounting study program, Faculty of Economics, University of Semarang who had taken at least 3 semesters. The sampling technique used is Simple Random Sampling. This study uses two independent variables, namely investment knowledge and financial literacy and one moderating variable, namely financial self-efficacy with the dependent variable investment intention in the capital market. The primary data collection method used in this study was by distributing questionnaires to a number of questions to respondents, namely students of the Bachelor of Accounting study program. The analytical method used in testing the hypotheses proposed in this study is Partial Least Square (PLS) but before that will be tested for validity, reliability, normality and descriptive statistics.

The results of this study prove empirically that investment knowledge and financial literacy can have a significant positive effect on investment intentions. The next finding is that financial self-efficacy is proven to be able to strengthen the effect of investment knowledge and financial literacy on investment intentions. Adjusted R square of investment interest is 67.2%.

Keywords: Investment knowledge, financial literacy, financial self-efficacy, investment intention.

JEL: D14, D91, G11, G20.

INTRODUCTION

The capital market has an important role in the economic development of a country. With the existence of a capital market, individual investors and business entities can channel their excess funds to invest in the capital market, and entrepreneurs can obtain additional capital funds to expand their business networks from investors in the capital market (Burhanudin et al, 2021). Investment in the capital market sector is an alternative source of funding for both the government and the private sector. Governments that need funds can issue bonds or debentures and sell them to the public through the capital market. Likewise, the private sector, in this case a company that needs funds, can issue securities, either in the form of shares or bonds, and sell them to the public through the capital market (Bakhri, 2018).

As the current modern era develops, followed by increasingly complex developments in financial products, making good financial decision making is important for everyone to pay attention to. Apart from that, someone also needs to set aside a portion of their income in savings as a preparation fund for retirement. From here, it is necessary to have financial literacy that can help someone in planning and also making good financial decisions in order to achieve the desired goals, namely financial well-being in the future (Faidah, 2019).

Since the existence of the Indonesia Stock Exchange in 2007, investing in the capital market is an alternative form of investment that is easy to reach and use by the wider community. This is proven by the increasing number of investors in Indonesia and the large number of share transactions on the Indonesian Stock Exchange. PT Kustodian Sentral Efek Indonesia (KSEI) has recorded an increase in the number of investors as seen through the Single Investor Identification (SID) of 782,511 or 14.7% from 894,116 in 2016 to 1,025,414 in July 2017. The increasing *Single Investor Identification* (SID) is also recorded at PT Phintraco Sekuritas.

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Fig. (1). Financial Literacy and Inclusion Index.

PT Phintraco Sekuritas recorded 3,274 investors on 30 November 2017, or an increase of 3.57% from the previous month of the same year (KSEI, 2017). Despite double-digit growth, the number of Indonesian investors is relatively small compared to the total population of 258 million people. Compared to neighboring countries, Indonesia is also inferior to Malaysia and Singapore, which have 2.49 investors and 1.5 million investors respectively (Bakhri, 2018).

Investment knowledge is an understanding that one must have regarding various aspects of investment starting from basic knowledge of investment appraisal, the level of risk, and the rate of return on *investment*. The more knowledge one gets about investing, both through learning and outreach from the capital market, the greater one's desire to invest in the capital market (Burhanudin et al, 2021). *Investment knowledge* is a basic factor needed before making an investment. Through *investment knowledge*, potential investors can understand in advance various matters related to investment and its benefits.

Another factor that can influence *investment interest* is *financial literacy*. *Financial literacy* is knowledge of the facts, concepts, principles and technological tools that underlie being smart in using money. According to OJK, in the Financial Services Authority regulation, Number 76 /POJK.07/2016 concerning Increasing Financial Literacy and Inclusion in the Financial Services Sector for Consumers and/or the Community 2016, *financial literacy* is knowledge, skills and beliefs, which influence attitudes and behavior to improve the quality of decision making and financial management in order to achieve prosperity.

Several previous studies regarding investment interest in the capital market showed different results. Based on the research findings of Suyanti and Hadi (2019), Fatimah (2020) and Negara and Febrianto (2020) show that *investment knowledge* influences *investment intention*. The conclusions of this research are supported by the empirical test results of Dewanti and Marfuah (2021) and Sari et al (2022). However, on the other hand, the research results of Listyani et al (2019) and also Burhanudin et al (2021) actually show different results where *investment knowledge* has no impact on interest in investing in the capital market.

Another variable used by researchers is *financial literacy*. The research results of Faidah (2019) and Pangestika and Rusliati (2019) concluded that there is a positive and significant influence between *financial literacy* on *investment intention* in the capital market. Upadana and Herawati (2020) and Hasanudin et al (2022) also prove that *financial literacy* has a significant impact on *investment intention*. On the other hand, the conclusions of research findings by Fatimah (2020), Salerindra (2020) and Damayanti (2022) actually show that there is no influence of *financial literacy* on *investment intention* in the capital market. Financial literacy and financial inclusion during the 2013-2022 period have increased. This can be seen from the graphic image below.

The image above shows that during 2013-2022, there is a trend of increasing public financial literacy. On the other hand, public financial inclusion has also increased to above 80%. This should make a positive contribution and open up more opportunities for people to be able to invest in the capital market.

Several empirical findings regarding *investment interest* in the capital market still have dissimilar results. Therefore, this research needs to be carried out with the aim of analyzing the influence *of investment knowledge* and *financial literacy* on *investment intention* in the capital market. The difference between this research and previous research is that it places the *financial self-efficacy variable* as a moderating variable. This research took as its object the Faculty of Economics, Bachelor of Accounting Study Program, Semarang University.

Based on the fact that there are still differences in findings in several previous studies regarding *investment intention* in the capital market. Therefore, research questions can be formulated: (1) How does *investment knowledge* and *financial literacy* influence *investment intention* in the capital market in the millennial generation? and (2) What is the role of *financial self-efficacy* in moderating the relationship between *in-*

vestment knowledge and *financial literacy* with *investment intention* in the millennial generation?

LITERATURE REVIEW

Theory of Planned Behavior

Theory of Planned Behavior (TBP) is an improvement and development of *the Theory of Reasoned Action* (TRA). *The Theory of Planned Behavior (*TBP) explains the relationship between a person's attitudes and behavior. Based on *the Theory of Planned Behavior* (TBP), the main factor that influences individual behavior is the individual's intention towards that behavior. Intention to behave itself is influenced by 3 components, namely *attitude*, *subjective norms*, and *perceived behavior control* (Netemeyer & Ryn, 1991) . Ajzen (1991) quoted by Sari (2022) states that *Theory of Reasoned Action* (TRA) is a function of behavior towards subjective norm behavior, that is, a person's behavior can be determined by intention or interest. This intention is able to predict a person's behavior very well and is a cognitive representation of a person's readiness to behave.

The theory used in research is based on *the Theory of Planned Behavior*, the main factor that influences individual behavior is the individual's intention towards that behavior. Intention to behave itself is influenced by 3 components, namely *attitude* (behavior), *subjective norms* (subjective norms), and *perceived behavior control* (behavior control). This theory assumes that a person basically behaves consciously and considers all implicit and explicit information as well as the implications of all actions and actions taken.

The Theory of Reasoned Action (TRA) can be applied in life in decision making. When making an investment, several things influence your decision making. First, find out in detail about what investment is and how to invest. Second, look for information about the risks and benefits obtained in investing. Third, when you know the benefits and risks of investment, it will increase your interest in investing. This interest is a consideration for investing or not investing.

The next theory is *financial management behavior* , which means a person's ability to plan, budget, manage, control, find and save the daily financial funds they have (Rizkiawati & Asandimitra, 2018). According to (Dew and Xiao, 2011) as quoted by Burhanudin et al (2021), *financial management behavior* can be seen from four things, namely consumption, cash flow management, saving and investment and *credit management* .

Relationship between Investment Knowledge and Investment Intention

Someone who has knowledge about investment is likely to make an investment. Knowledge about investment is really needed by an individual when investing, especially regarding the basics of investment including the risks borne when investing so that it can be used as a basis for decision making. This investment knowledge is needed so that when investing, you can gain profits and minimize losses when investing in the capital market (Wibowo & Purwohandoko, 2019). A person's investment knowledge is useful for managing their investments so that what they hope for can be achieved. The higher a person's investment knowledge, the higher their interest in investing. Basic investment knowledge is very important for prospective investors to have so that investors avoid improper investment practices and can avoid fraud. Investment knowledge has a positive effect on investment interest (Pajar & Pustikaningsih, 2017; Wibowo & Purwohandoko, 2019). A person's investment knowledge is useful for managing their investments so that the expected *returns can be achieved.* The higher a person's investment knowledge, the greater their interest in investing. Sufficient knowledge about how to invest is very necessary in order to avoid possible losses. Investment knowledge is argued to be important for students to start investing in the capital market. The increasing investment knowledge that students have will encourage students to invest in the capital market (Dewati and Marfuah, 2021). The research results of Suyanti and Hadi (2019), Fatimah (2020), Negara and Febrianto (2020), Dewati and Marfuah (2021) and Sari et al (2022) prove that there is a significant influence between investment knowledge *and* investment *intention* . Therefore it can be hypothesized:

H1: Investment knowledge has a significant effect on investment intention

The Relationship between Financial Literacy and Investment Intention

Financial literacy is knowledge of the facts, concepts, principles and technological tools that underlie being smart in using money. Investment interest is the desire to find out about a type of investment, willing to take the time to learn more about investment by attending investment training and seminars, and trying to invest (Hasanudin et al, 2022). Financial literacy can influence investment interest because one aspect of financial literacy is investment. An investor who has a rational attitude is reflected in making investment decisions based on their financial literacy (Fatimah, 2020). When someone has good or high financial literacy, that person will feel safe and more courageous in investing, so it can be said that financial literacy can influence interest in investing. This is in accordance with research conducted by Upadana and Herawati (2020) which states that financial literacy has a positive effect on interest in investing, meaning that the higher a person's financial literacy, the more likely they are to have a high interest in investing. The conclusion of the research results of Faidah (2019), Pangestika and Rusliati (2019), Upadana and Herawati (2020) and also Hasanudin et al (2022) shows that empirically *financial literacy* has a significant influence on *investment intention* . Based on the description above, the following hypothesis can be made:

H2: Financial literacy has a significant effect on investment intention

The Relationship Between Investment Knowledge and Investment Intention is Moderated by Financial Self-Efficacy

Knowledge is information that has been organized in memory as part of a structured information system or network (Fatimah, 2020). Investment knowledge in the context of this study includes personality (cognitive) factors that can influence human behavior, which in this case is represented by investment interest. Investment knowledge itself is the basis that a person needs before making an investment (Sari et al, 2022). Investment interest is the desire to find out about the type of investment, willing to take the time to learn more about investing by attending investment training and seminars, and trying to invest (Listyani, 2019). The logic of this thought is that when someone has knowledge about investing, that person will understand *the returns* and *risks* that may be received. By strengthening *financial self-efficacy*, your investment knowledge will be able to generate interest in investing in the capital market. Based on the description above, a hypothesis can be made:

H3 : Financial self-efficacy strengthens the influence of investment knowledge on investment intention

The Relationship between Financial Literacy and Investment Intention is Moderated by Financial Self-Efficacy

Financial literacy *is* about the ability to understand money and finance and be able to confidently apply that knowledge to make effective financial decisions because making sound financial decisions is a core skill needed today (Faidah, 2019). Investment interest is a strong desire or desire for someone to learn everything related to investment to the stage of practicing it, namely investing (Pajar & Pustikaingsih, 2017). The characteristics of someone who is interested in investing can be seen from the size of their efforts in finding a type of investment from the advantages, disadvantages and investment performance. Then, they invest in types of investment that have been studied or add to the portion or weight of pre-existing investments (Hidayati, 2021). The logic of thinking in this case is that when a person has sufficient financial knowledge and is accompanied by self-confidence in their ability to manage finances (*financial self-efficacy*) and understands what returns or risks they will face, they will be able to foster an interest in investing in the capital market. Based on the description above, the following hypothesis can be made:

H4 : Financial self-efficacy strengthens the influence of financial literacy on investment intention

Theoretical Thinking Framework

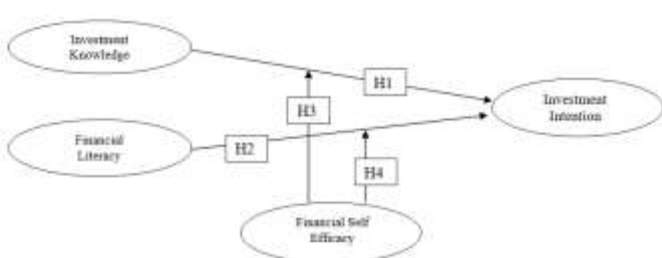


Fig. (1). Theoretical Thinking Framework.

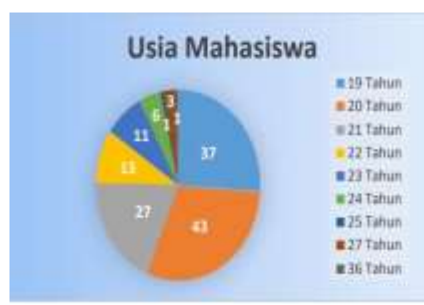
RESEARCH METHODS

The object of this research is the Bachelor of Accounting study program at the Faculty of Economics, Semarang University. The research population was all students of the Bachelor of Accounting study program, Faculty of Economics, Semarang University. The sampling technique uses a *purposive sampling method* with the criteria of (1) Having an active status as a student in the Bachelor of Accounting study program at the Faculty of Economics, University of Semarang and (2) having studied for at least 4 semesters. This research uses two independent variables, namely *investment knowledge* and *financial literacy*, one moderating variable, namely *financial self-efficacy*, and one dependent variable, namely *investment intention*. The type of research data is primary data derived from the answers of the respondents, namely students of the Bachelor of Accounting study program at the Faculty of Economics, University of Semarang. As for the primary data collection method used by distributing questionnaires on a number of questions to respondents using google form media with a Likert scale of 1-5.

This research analysis tool uses *smart PLS software* because it is a powerful analytical method. The PLS method has the advantage that the data does not have to be normally distributed and the sample size does not have to be large. PLS besides being able to be used as confirmation of theory can also be used to build relationships where there is no theoretical basis or for testing hypotheses . This relationship involves one dependent variable, namely *investment intention* (Y); two independent variables, namely *investment knowledge* (X1) and *financial literacy* (X2), as well as one moderating variable, namely *financial self-efficacy* (Z).

RESULTS AND DISCUSSION

This research used data from 142 student respondents who met purposive sampling criteria, with the following profiles:



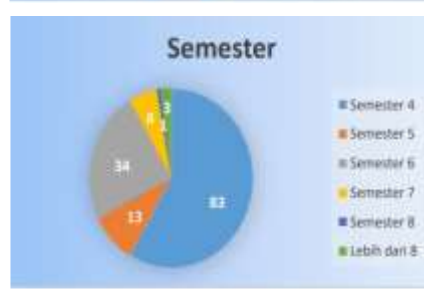


Fig. (2). Respondent Profile.

Based on Fig. (**2**) above, it can be seen that there were 142 female and 27 male respondents. When classified by age, most of the respondents were 107 people aged 19-21 years, 30 people aged 22-24 years and 5 people aged over 25 years. Then based on the study period, 83 respondents were students in semester 4, 13 respondents were taking semester 5, 34 respondents were in semester 6 and the remaining 12 respondents were taking semester 7 and above. Furthermore, it was discovered that 90 respondents were regular afternoon class students, 51 morning class students and only 1 employee class student. Table **2** also shows that 77 respondents are not yet employed and 65 respondents already have jobs.

Variable Description

The purpose of variable description is to provide an overview or explanation of each variable used in a study. After the answers are categorized, intervals are calculated to get a conclusive picture of the respondent's opinion for each variable using the three-level category formula:

$$\text{Interval} = \frac{\text{nilai tertinggi} - \text{nilai terendah}}{\text{Jumlah kelas}} = \frac{5-1}{3} = 1{,}33$$

Furthermore, the categorization of the variations can be shown as follows:

	Value Range	Category
1	1.00 – 2.33	Low
2	> 0.33 – 3.66	Enough
3	> 3.66 – 5.00	Tall

Table 1. Description of Answers *Investment Knowledge*.

No	Statement	Mean	Mode	Category	Note.
1	I know the basic objectives of investing activities.	3.96	4	Tall	> average
2	I know about investment risks as a preparation before investing.	3.83	4	Tall	> average
3	I know about the rate of return on investment.	3.51	4	Enough	< avg
4	I know the relationship between risk and investment return.	3.56	4	Enough	< avg
5	I know capital market investment instruments and general knowledge about other capital market investments	3.49	3	Enough	< avg
	Average *Investment Knowledge*	3.67		Tall	

Table 2. Description of Financial Literacy Answers.

No	Statement	Mean	Mode	Category	Note.
1	Students have good general knowledge about finance.	3.83	4	Tall	> average
2	The types of investment understood are savings and loans.	3.83	4	Tall	> average
3	According to students, insurance is a good type of investment.	3.70	4	Tall	< average
4	Students have a good understanding of investment.	3.48	3	Enough	< average
	Average *Financial Literacy*	3.71		Tall	

Table 3. Description of Financial Self Efficacy Answers.

No	Statement	Mean	Mode	Category	Note.
1	Students have good abilities in planning every financial expenditure.	3.80	4	Tall	> average
2	Students have good abilities in achieving financial goals.	3.73	4	Tall	> average
3	Students have good decision-making skills when unexpected events arise.	3.73	4	Tall	> average

4	Students have good abilities in facing challenges in the financial sector.	3.63	4	Enough	< average
5	Students have good confidence in financial management.	3.75	4	Tall	> average
6	Students have confidence in their financial conditions in the future.	3.65	4	Enough	< avg
	Average *financial self-efficacy*	3.72		Tall	

Table 4. Description of Investment Intention Answers.

No.	Statement	Mean	Mode	Category	Note.
1	Students have an interest in information about how to invest.	3.72	4	Tall	> average
2	Students have an interest in information about how to invest in the capital market.	3.63	3	Enough	< average
3	Students have an interest in being able to access and make investments.	3.73	4	Tall	> average
4	Students have an interest in being able to access and invest in the capital market.	3.69	4	Tall	= average
	Average *investment intention*	3.69		Tall	

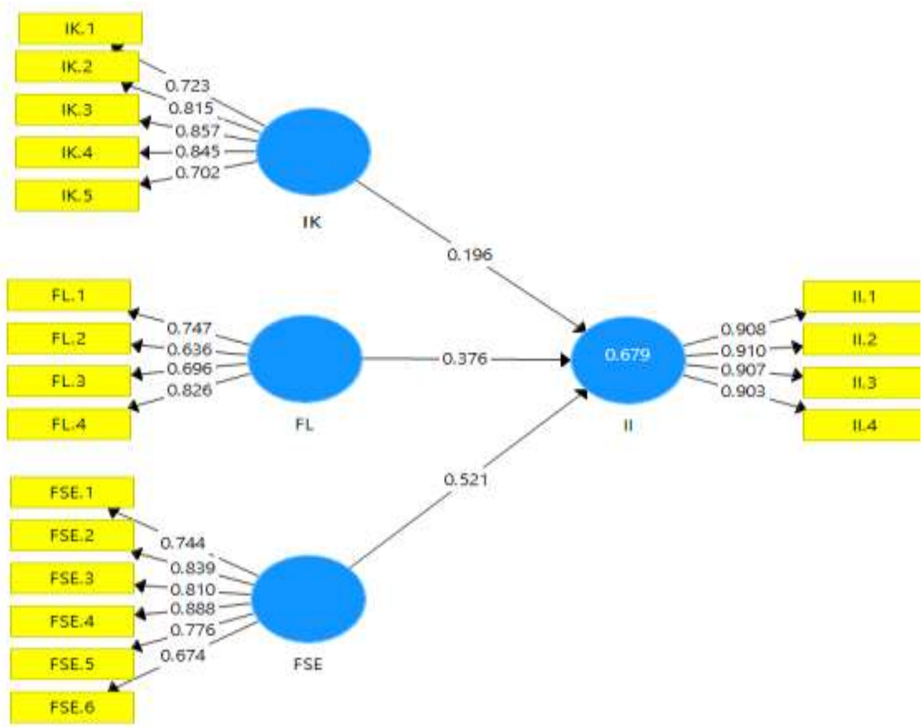


Fig. (2). Variable Loading Factor.

OUTER MODEL

Factor Loading

The need to test construct unidimensionality is carried out as an effort to prove the convergent validity evaluation of each construct indicator. Chin (in Ghozali, 2014) states that an indicator has good reliability if its value is greater than 0.70.

For models that are still in the development stage, *a loading factor of* 0.50 to 0.60 is still acceptable. Therefore, indicators that have a loading value below 0.50 will be eliminated from the analysis. Based on this criterion, indicators with a *loading value* of more than 0.50 will be maintained and can be used for further analysis. The results of the outer model analysis are presented in the following table and figure:

Table 5. Loading Factor Value.

Latent Constructs	Indicator	*Loading Factor* Value	Information
Investment Knowledge (IK)	IK. 1	0.723	>0.5
	IK. 2	0.815	>0.5
	IK. 3	0.857	>0.5
	IK. 4	0.845	>0.5
	IK. 5	0.702	>0.5

Financial Literacy (FL)	FL. 1	0.747	>0.5
	FL. 2	0.636	>0.5
	FL. 3	0.696	>0.5
	FL. 4	0.826	>0.5
Financial Self Efficacy (FSE)	FSE. 1	0.744	>0.5
	FSE.2	0839	>0.5
	FSE.3	0.810	>0.5
	FSE. 4	0.888	>0.5
	FSE.5	0.776	>0.5
	FSE.6	0.674	>0.5
Investment Intention (II)	II.1	0.908	>0.5
	II.2	0.910	>0.5
	II.3	0.907	>0.5
	II.4	0.903	> 0.5

Based on table **5**, it is known that all latent constructs have *loading factors* of more than 0.5 so they can proceed to inner model analysis. *Investment Knowledge* has an indicator value of 0.723-0.857 so you can use 5 indicators. *Financial Literacy* with 4 indicators, loading factor value 0.636-0.826. *Financial Self Efficacy* uses 6 indicators with factor loading values of 0.674-0.888. *Investment Intention* uses all indicators for inner model analysis with *loading factor values* ranging from 0.903-0.910.

Reliability Test Results

A research instrument is considered reliable or trustworthy if the Cronbach's alpha value is greater than 0.7. The results of the reliability calculation can be seen in Table **6**.

The table shows that all latent constructs in this study are reliable and can be trusted for data collection. In this study, the reliability of the instrument was determined by the composite reliability coefficient (rho_A), with a value of > 0.7 indicating good reliability of measurement results. In addition, the *Average Variance Extracted* (AVE) value for each latent construct was found to be >0.5 which indicates that the questionnaire used is valid and reliable for measuring the latent construct. The use of reliable and valid research instruments helps increase the credibility and accuracy of research findings.

DISCRIMINANT ANALYSIS

Validity means measuring what should be measured (Ghozali, 2016). *Discriminant validity* is carried out to ensure that each concept from each latent model is different from other variables. Validity testing is carried out to determine how precisely a measuring instrument performs its measurement function (Ghozali, 2016). In SMART-PLS *discriminant validity testing* can be assessed based on *fornell-larcker criterion.* In testing *the Fornell-Larcker criterion*, *discriminant validity* can be said to be good if the roots of the AVE in the construct are higher than the construct's correlation with other latent variables.

Table **7** shows that the square root value of AVE in *Financial Literacy (FL)* is 0.730, greater than the construct correlation value for other latent variables. Likewise, the square root value of AVE in *Financial Self Efficacy (FSE)* is 0.791, the square root value of AVE in *Investment Intention (II)* is 0.907 and the square root value of AVE in the *Investment Knowledge* (IK) variable is 0.791, all of which are greater than the construct correlation value on other latent variables. This means that all variables have met *discriminant validity*. Therefore, it can be concluded that the research indicators have met good *discriminant validity in the preparation of each variable.*

Determination Coefficient Test Results

SEM analysis, an alternative method, namely *the Partial Least Square* outer model, also produces an *R Square value* for the endogenous construct, which is a *model Goodness of Fit test* (Ghozali, 2014) . There are three categories in grouping R-square values, namely 0.75 (strong), 0.50 (moderate)

Table 6. Reliability Test Results.

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Investment Knowledge (IK)	0.848	0.855	0.893	0.626
Financial Literacy (FL)	0.706	0.728	0.819	0.532
Financial Self Efficacy (FSE)	0879	0.893	0.909	0.626
Investment Intention (II)	0.928	0.928	0.949	0.822

Table 7. Discriman Analysis Results.

	Financial Literacy (FL)	Financial Self Efficacy (FSE)	Investment Intention (II)	Investment Knowledge (IK)
Financial Literacy (FL)	0.730*			
Financial Self Efficacy (FSE)	0.295	0.791*		
Investment Intention(II)	0.581	0.702	0.907*	
Investment Knowledge (IK)	0.260	0.361	0.482	0.791*

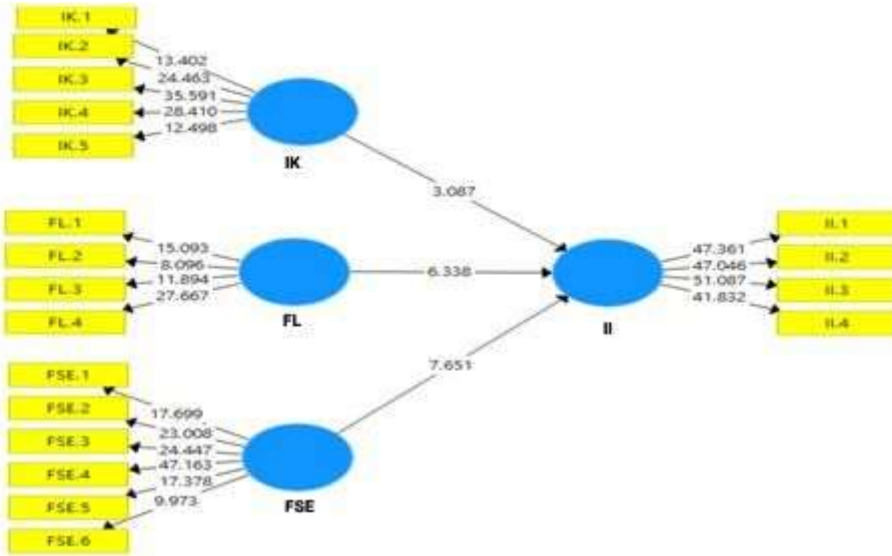


Fig. (3). Structural Model of Direct Effect Analysis.

Table 8. Direct Effect Test Results.

Relations between Constructs	Original Sample (O)	T Statistics (|O/STDEV|)	P Values
Investment knowledge →investment intention	0.196	3,087	0.002
Financial literacy) →investment intention	0.376	6,338	0.000
Financial self-efficacy →investment intention	0.521	7,651	0.000

and 0.25 (weak) (Hair et al, 2010). The *R-square* value of the dependent variable obtained in this research model is:

Endogenous Latent Constructs	*R Square*	*R Square Adjusted*	Category
Investment Intentions	0.679	0.672	Strong

the R -s quare value for the *investment intention variable* amounting to 0.672, which means that 67.2 % of the variation in *investment intention* can be explained by variations in exogenous constructs, namely *investment knowledge* , *financial literacy* , *financial self-efficacy* , the rest is influenced by other variables outside the model.

DIRECT EFFECT TEST RESULTS

The direct effect test aims to determine the effect of Investment Knowledge, Financial Literacy and Financial Self Efficacy on Investment Intention directly.

Based on the results of the direct influence test, it is known that the influence of *investment knowledge* has an original sample value of 0.196 with t-statistic value 3.087>1.96 and p value 0.002 where the value is < 0.05. These results indicate that *investment knowledge* has a positive effect on *investment intention*. The higher *the investment knowledge*, the higher *the investment intention*, and vice versa.

The effect of *investment knowledge* has an original sample value of 0.196 with a t-statistic value of 3.087> 1.96 and a p value of 0.002 where the value is <0.05 significance. This means that *investment knowledge* has a significant positive effect on *investment intention* **(H1 accepted)**. The higher *the investment knowledge*, the higher *the investment intention*. Based on the results of respondents' answers, most of them already know the basic objectives of investing and understand the risks of investing. This can be seen from the respondents' answers which were in the high category. This is also reinforced by the open answers of respondents who stated that understanding of investment also includes types of investment, technical and fundamental analysis. Apart from that, it is also necessary to understand the issuer's financial statements before deciding to invest in the capital market. With this investment knowledge, it will further open up and increase the interest of the millennial generation in investing in the capital market. The results of this study are in line with the empirical findings of Suyanti and Hadi (2019), Fatimah (2020) and Negara and Febrianto (2020) that knowledge about investing has a positive influence on investment intentions. However Listyani et al (2019) and Burhanudin *et al.* (2021) actually argues the opposite.

The influence of *financial literacy* has an original sample value of 0.376 with t-statistic value 6.338>1.96 and p value 0.000 where the value is < significance 0.05. This means that *financial literacy* has a positive effect on *investment intention* ***(H2 is accepted)***. The higher *the financial literacy*, the higher *the investment intention*, and vice versa. Based on the description of the respondents' answers, their general knowledge about finance is included in the high category. Of the various types of investment, student respondents are more familiar with the form of savings, loans and insurance. Then, other types of financial literacy that are also important according to respondents from the millennial generation are currency values, shares and good financial management. The

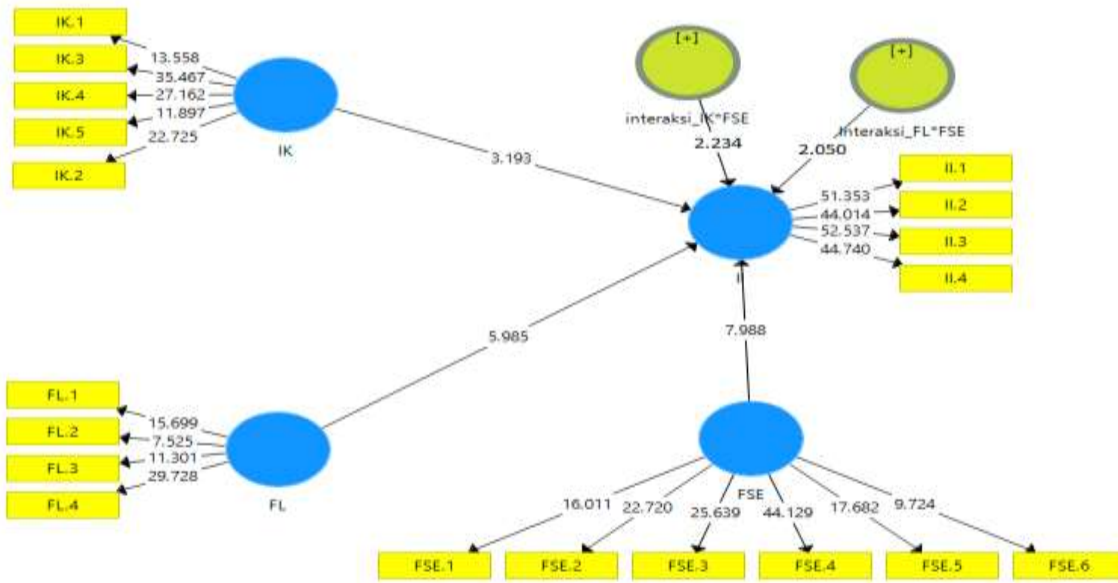


Fig. (4). Structural Model of *Moderation Effect Analysis.*

Table 9. Moderation Effect Test Results.

Relationship between Constructs	Original Sample (O)	T Statistics (|O/STDEV|)	P Values
interaction_IK*FSE -> II	0.195	2,234	0.015
Interaction_FL*FSE -> II	0.158	2,050	0.029

more diverse financial literacy you have, the more interest the millennial generation will have in investing in the capital market. The findings of this research support Faidah (2019) and Pangestika and Rusliati (2019). The influence of *financial self-efficacy* has an original sample value of 0.521 with t-statistic value 7.651> 1.96 and p value 0.000 where the value is <significance value 0.05 . These results indicate that *financial self-efficacy* has a positive effect on *investment intention*. The higher *the financial self-efficacy*, the higher *the investment intention*, and vice versa.

Moderation Indirect Effect Test Results

Baron and Kenny in Ghozali (2013) state that moderating variables are variables that influence the relationship between predictor variables (exogenous) and criterion variables (endogenous). Analysis of moderating variables can be done using the PLS program, namely by looking at the coefficient of influence of the interaction variables. If the coefficient of influence of the interaction variable is negative, then the variable which is thought to be a moderating variable can weaken the influence of the exogenous variable on the endogenous one, and vice versa. If the coefficient of influence of the interaction variable is positive, then the variable which is thought to be a moderating variable can strengthen the influence of the exogenous variable on the endogenous (Ngatno, 2015).

Based on table **9**, it is known that the interaction between *investment knowledge* and *investment intention* which is moderated by *financial self-efficacy* has an original sample value of 0.195 with a t-statistic value of 2.234 > 1.960 and a significance value of 0.015 < 0.05, so it can be said that *financial self-efficacy* moderates the influence of *investment knowledge* on *investment intention. **(H3 accepted)***. The positive and significant influence coefficient value shows that *financial self-efficacy* strengthens the influence of *investment knowledge* on *investment intention*. The better the millennial generation's ability to plan every expenditure and the adequate understanding of investment, the greater their interest in investing in the capital market.

Furthermore, the interaction of *financial literacy* on *investment intention* moderated by *financial self-efficacy* has an original sample value of 0.158 and a t-statistic value of 2.050>1.960 with a significance value of 0.029<0.05, which means that *financial self-efficacy* moderates the influence of *financial literacy* on *investment intention* **(H4 is accepted)** . The large positive and significant coefficient indicates that *financial self-efficacy* strengthens the influence *of financial literacy* on *investment intention.* The better the millennial generation's ability to manage personal finances and supported by financial literacy, the greater their interest in investing in the capital market.

CLOSING

The results of this research have succeeded in proving empirically that *investment knowledge* and *financial literacy* are able to have a significant positive influence on *investment intention*. The next finding is that *financial self-efficacy* is proven to be able to strengthen the influence *of investment knowledge* and *financial literacy* on *investment intention. The adjusted R square* of *investment intention* is 67.2% which is in the strong category. Suggestions that can be given for future research are to expand the research object so that it can provide a more comprehensive picture.

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