



Financial Anxiety, Financial Self-Efficacy, and Investment Decision-Making: A Mediation Perspective

Meliani Triana Puspitasari^{1*}, Grace Indri², Alex Syauta³, Nurlia⁴

^{1,2,4} Master of Management Program, Balikpapan University, Balikpapan, Indonesia

²⁾ STIMIK Borneo International, Balikpapan, Indonesia

E-mail: melianitrianap@gmail.com

* Corresponding author

Submitted: 11-05-2026	Review: 20-05-2026	Revision: 29-05-2026	Accepted: 02-06-2026
-----------------------	--------------------	----------------------	----------------------

Abstrak: Penelitian ini bertujuan untuk menganalisis hubungan antara financial anxiety, financial self-efficacy, dan investment decision-making pada investor individu di Indonesia. Penelitian ini didasarkan pada Social Cognitive Theory dan perspektif behavioral finance dengan menempatkan financial self-efficacy sebagai variabel mediasi dalam menjelaskan pengaruh financial anxiety terhadap pengambilan keputusan investasi. Penelitian menggunakan pendekatan kuantitatif dengan desain explanatory research. Sampel penelitian terdiri atas 150 investor ritel yang dipilih menggunakan teknik purposive sampling. Data dikumpulkan melalui penyebaran kuesioner terstruktur dan dianalisis menggunakan Partial Least Squares Structural Equation Modeling (PLS-SEM) dengan bantuan perangkat lunak Smart-PLS. Hasil penelitian menunjukkan bahwa financial anxiety berpengaruh negatif dan signifikan terhadap investment decision-making serta financial self-efficacy. Sebaliknya, financial self-efficacy berpengaruh positif dan signifikan terhadap investment decision-making. Selain itu, hasil analisis mediasi membuktikan bahwa financial self-efficacy mampu memediasi hubungan antara financial anxiety dan investment decision-making secara signifikan. Temuan ini menunjukkan bahwa tingkat kecemasan finansial yang tinggi dapat menurunkan kepercayaan diri individu dalam mengelola keuangan, sehingga berdampak pada kualitas pengambilan keputusan investasi. Penelitian ini berkontribusi dalam pengembangan literatur behavioral finance dengan memberikan bukti empiris mengenai mekanisme psikologis yang mendasari perilaku investasi di negara berkembang. Secara praktis, hasil penelitian menekankan pentingnya penguatan ketahanan psikologis dan kepercayaan diri finansial dalam program edukasi investasi.

Kata kunci: Kecemasan finansial, efikasi diri finansial, pengambilan keputusan investasi, keuangan perilaku, PLS-SEM.

Abstract: This study examines the relationship between financial anxiety, financial self-efficacy, and investment decision-making among individual investors in Indonesia. Grounded in Social Cognitive Theory and behavioral finance perspectives, the research investigates the mediating role of financial self-efficacy in explaining how financial anxiety influences investment behavior. A quantitative approach with an explanatory research design was employed, involving 150 retail investors selected through purposive sampling. Data were collected using structured questionnaires and analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with Smart-PLS software. The findings reveal that financial anxiety negatively and significantly affects investment decision-making and financial self-efficacy. In contrast, financial self-efficacy positively and significantly influences investment decision-making. Furthermore, the mediation analysis confirms that financial self-efficacy significantly mediates the relationship between financial anxiety and investment decision-making. These results indicate that higher financial anxiety weakens investors' confidence in managing financial matters, which subsequently reduces the quality of investment decisions. The study contributes to behavioral finance literature by providing empirical evidence regarding the psychological mechanisms underlying investment behavior in

emerging markets. Practically, the findings suggest that investment education programs should not only emphasize financial literacy but also strengthen psychological resilience and financial confidence among investors.

Keywords: *financial anxiety, financial self-efficacy, investment decision-making, behavioral finance, PLS-SEM.*

INTRODUCTION

The rapid expansion of digital financial services, online investment platforms, and financial technology ecosystems has transformed the way individuals manage wealth and make investment decisions. In many emerging economies, including Indonesia, the accessibility of investment instruments such as mutual funds, stocks, cryptocurrencies, and digital gold has increased significantly over the past decade ([Otoritas Jasa Keuangan \(OJK\), 2022](#)). This transformation has encouraged broader financial participation among younger generations and middle-income communities ([Prawesti Ningrum et al., 2023](#)). However, increased accessibility does not necessarily guarantee rational or confident investment behavior. Many individuals continue to experience uncertainty, fear of financial loss, and psychological pressure when making investment decisions, particularly during periods of economic volatility and financial instability ([Nadeem et al., 2020](#); [Roreng & Halik, 2025](#)). These conditions have intensified scholarly attention toward psychological dimensions of financial behavior, especially financial anxiety and financial self-efficacy ([Kumar, 2026](#); [Lee et al., 2023](#)).

Financial anxiety refers to feelings of worry, stress, tension, or fear related to financial conditions and financial management activities. It emerges when individuals perceive uncertainty regarding their financial future, inability to manage financial obligations, or lack of control over financial outcomes ([Sajid et al., 2024](#)). Recent studies have shown that financial anxiety can negatively influence individual financial well-being, financial confidence, and long-term financial planning behavior ([Fan & Henager, 2022](#); [Rahman et al., 2021](#)). Individuals experiencing high financial anxiety often avoid investment activities, postpone financial planning, or make irrational financial decisions due to emotional distress rather than objective analysis. In investment contexts, anxiety may reduce risk tolerance, increase impulsive behavior, and weaken decision quality.

At the same time, financial self-efficacy has become an increasingly important construct in explaining individual financial behavior. Derived

from Social Cognitive Theory proposed by Albert Bandura, financial self-efficacy reflects an individual's belief in their capability to effectively manage financial matters and make appropriate financial decisions. Individuals with strong financial self-efficacy tend to demonstrate better financial planning, stronger investment confidence, and more adaptive financial behavior under uncertain conditions ([Dare et al., 2023](#)). Conversely, low self-efficacy may increase hesitation, emotional vulnerability, and dependency on external opinions during investment decision-making processes ([Nadeem et al., 2020](#)).

Investment decision-making itself is a complex behavioral process involving cognitive evaluation, emotional regulation, risk perception, and financial literacy. Traditional finance theories generally assume that investors behave rationally in maximizing expected utility. However, behavioral finance literature increasingly recognizes that psychological factors substantially shape financial choices ([Cupák et al., 2022](#)). Emotional conditions such as fear, stress, and anxiety may distort information processing and reduce the quality of investment judgments ([Nadeem et al., 2020](#); [Raut, 2020](#)). Consequently, understanding the psychological mechanisms underlying investment decisions has become highly relevant for both academics and practitioners ([Raut, 2020](#)).

Several recent studies have examined the direct relationship between financial anxiety and investment behavior. For example, research by [Cupák et al., 2022](#) indicated that individuals experiencing financial stress tend to exhibit lower financial confidence and weaker financial decision quality. Similarly, [Lee et al. \(2023\)](#) found that financial anxiety significantly influences risk perception and investment hesitation among young investors. On the other hand, studies on financial self-efficacy consistently demonstrate positive associations with investment participation and financial decision quality ([Dare et al., 2023](#); [Nadeem et al., 2020](#)). Nevertheless, empirical findings regarding the interaction between these variables remain fragmented and inconclusive.

More importantly, limited studies have specifically investigated the mediating role of financial self-efficacy in explaining how financial anxiety affects investment decision-making. Most previous studies focused only on direct relationships between psychological variables and financial behavior without exploring the underlying psychological transmission mechanisms. This gap is theoretically important because financial anxiety may not directly influence investment decisions; instead, it may first weaken individual confidence in financial capability, which subsequently affects investment behavior. Therefore, examining financial self-efficacy as a mediating variable may provide a more comprehensive explanation regarding the psychological pathways influencing investment decisions.

In Indonesia, this issue becomes increasingly relevant due to the rapid growth of retail investors, especially among young adults and first-time investors ([Angreyani et al., 2025](#)). Data from the [Otoritas Jasa Keuangan \(OJK\) \(2022\)](#) indicate substantial growth in the number of individual investors over recent years, accompanied by increased participation from younger demographic groups. However, despite growing investment participation, many novice investors still demonstrate limited financial preparedness and emotional resilience when facing market uncertainty.

Table 1. Growth of Indonesian Capital Market Investors

Year	Number of Investors	Annual Growth
2019	2.48 million	—
2020	3.88 million	56.45%
2021	7.49 million	92.96%
2022	10.31 million	37.65%
2023	12.16 million	17.94%

Source: [Otoritas Jasa Keuangan \(OJK\) \(2024\)](#)

The data above demonstrate a substantial increase in investment participation in Indonesia. Nevertheless, the rapid rise in investor numbers is not always accompanied by adequate financial psychological readiness. Many beginner investors enter financial markets with limited investment experience, low emotional control, and insufficient financial confidence. Consequently, they are more vulnerable to financial anxiety, panic behavior, and irrational investment decisions during periods of market volatility. This

phenomenon indicates that psychological dimensions should receive greater attention in investment behavior research.

Furthermore, global economic uncertainty, inflationary pressures, post-pandemic financial instability, and fluctuations in digital investment markets have intensified individual financial concerns worldwide. According to recent behavioral finance literature, psychological vulnerability has become one of the most influential determinants of investment behavior among retail investors ([Dare et al., 2023](#); [Nadeem et al., 2020](#)). Therefore, investigating how financial anxiety shapes investment decisions through financial self-efficacy offers both theoretical and practical significance.

Research Urgency

This study is urgent because the increasing participation of individual investors in digital financial markets is not necessarily supported by adequate psychological preparedness and financial confidence. Financial anxiety may weaken individuals' ability to make rational investment decisions, particularly among novice investors who are highly exposed to market uncertainty and information overload. Although previous studies have separately examined financial anxiety, financial self-efficacy, and investment behavior, limited empirical evidence explains the mediating mechanism connecting these variables, especially within emerging market contexts such as Indonesia. Therefore, this research is expected to contribute to behavioral finance literature by providing a deeper understanding of the psychological processes underlying investment decision-making. Practically, the findings may assist policymakers, financial educators, and investment institutions in designing financial literacy and investor protection programs that strengthen financial confidence and reduce anxiety-related investment errors.

Several previous studies supporting this research include:

Table 2. Summary of Previous Studies and Research Implications

Authors	Main Findings	Implications
Dare et al. (2023)	Financial self-efficacy positively influences financial behavior	Demonstrates that individuals with stronger financial confidence tend to make more rational

Authors	Main Findings	Implications
	and investment confidence.	and proactive investment decisions.
Fan & Henager, (2022)	Emotional and psychological biases significantly affect investment decisions.	Indicates that psychological factors, including anxiety and emotional instability, are important determinants of investor behavior.
Nadeem et al., (2020)	Financial self-efficacy improves individual financial management capability.	Suggests that enhancing financial self-efficacy may strengthen individuals' ability to manage investment risks and financial uncertainty.
Lee et al., (2023)	Financial anxiety influences investment hesitation and financial decision quality.	Confirms that excessive financial anxiety may reduce investment confidence and weaken decision-making effectiveness.

Source: Compiled from previous study (2026)

The findings from previous studies indicate that financial anxiety and financial self-efficacy are important psychological determinants of financial behavior. However, prior research has predominantly examined the variables independently and has rarely explored the mediating role of financial self-efficacy in the relationship between financial anxiety and investment decision-making. Therefore, this study seeks to address this gap by developing a mediation-based behavioral finance model that explains how financial anxiety influences investment decisions through financial self-efficacy.

Research Problems

Based on the research background, the research problems proposed in this study are as follows:

1. Does financial anxiety significantly affect investment decision-making?
2. Does financial anxiety significantly affect financial self-efficacy?
3. Does financial self-efficacy significantly affect investment decision-making?
4. Does financial self-efficacy mediate the relationship between financial anxiety and investment decision-making?

LITERATURE REVIEW

Social Cognitive Theory

This study is primarily grounded in Social Cognitive Theory developed by Albert Bandura. Social Cognitive Theory explains that human behavior is influenced by reciprocal interactions among cognitive factors, environmental influences, and behavioral responses ([Bandura, 1999](#)). One of the central constructs within this theory is self-efficacy, which refers to an individual's belief in their capability to perform specific tasks and achieve desired outcomes. Individuals with strong self-efficacy are more likely to demonstrate persistence, confidence, and adaptive behavior when facing uncertainty or challenges ([Anggraini et al., 2024](#)).

In financial contexts, self-efficacy influences how individuals evaluate financial risks, process financial information, and make investment decisions. According to Bandura's theoretical framework, emotional states such as anxiety may weaken self-efficacy perceptions, thereby reducing decision quality and behavioral performance. Thus, financial anxiety may indirectly affect investment decision-making through diminished financial self-efficacy. This theoretical perspective provides a strong foundation for explaining the mediation mechanism proposed in this study.

Recent behavioral finance literature has increasingly integrated Social Cognitive Theory to explain financial behavior, investment participation, and financial well-being ([Dare et al., 2023](#); [Thomas & Gupta, 2021](#)). The theory is considered highly relevant because investment activities require both cognitive competence and emotional control under uncertain market conditions.

Financial Anxiety

Financial anxiety refers to feelings of fear, stress, worry, and emotional discomfort associated with financial conditions and financial management activities ([Lee et al., 2023](#)). Financial anxiety commonly arises from perceived financial insecurity, debt pressure, unstable income, economic uncertainty, or fear of financial loss. Individuals experiencing high financial anxiety often demonstrate lower financial confidence and reduced ability to make rational financial decisions ([Nadeem et al., 2020](#)).

According to recent studies, financial anxiety negatively affects financial well-being, financial planning behavior, and investment confidence

([Fan & Henager, 2022](#); [Lee et al., 2023](#)). Financial anxiety may also increase avoidance behavior, emotional decision-making, and excessive risk aversion in investment activities. In behavioral finance theory, anxiety is considered one of the psychological biases that distort rational financial judgment ([Kumar, 2026](#)).

Operationally, financial anxiety in this study refers to an individual's psychological discomfort and emotional tension related to financial matters, particularly in relation to investment activities, financial uncertainty, and potential financial loss.

Several dimensions commonly used to measure financial anxiety include:

1. Fear of financial instability
2. Stress related to financial obligations
3. Concern about future financial conditions
4. Emotional discomfort during financial decision-making
5. Worry regarding investment risk and financial loss

Recent empirical findings confirm that financially anxious individuals tend to postpone investment decisions and exhibit weaker financial confidence ([Lee et al., 2023](#)). Moreover, periods of economic uncertainty intensify psychological vulnerability among retail investors ([Mongan et al., 2025](#)).

Financial Self-Efficacy

Financial self-efficacy refers to an individual's belief in their ability to effectively manage financial resources, solve financial problems, and make appropriate financial decisions ([Anggraini et al., 2024](#)). The concept is derived from the broader self-efficacy framework within Social Cognitive Theory.

Individuals with high financial self-efficacy generally demonstrate greater confidence in budgeting, saving, investing, and managing financial risks ([Irdawati & Nurlia, 2025](#)). They are also more capable of controlling emotions and maintaining rationality when facing financial uncertainty. Conversely, low financial self-efficacy often leads to doubt, hesitation, and dependency on external financial advice.

Recent studies indicate that financial self-efficacy positively influences financial behavior, investment participation, financial resilience, and long-term financial planning ([Dare et al., 2023](#); [Nadeem et al., 2020](#)). Financial self-efficacy has also been identified as a significant predictor of investment confidence among young and novice investors.

Operationally, financial self-efficacy in this study refers to an individual's confidence in their ability to understand, manage, and make effective financial and investment-related decisions.

The dimensions of financial self-efficacy include:

1. Confidence in managing personal finances
2. Ability to evaluate investment alternatives
3. Confidence in managing financial risks
4. Ability to make independent financial decisions
5. Confidence in achieving future financial goals

Research conducted by [Dare et al. \(2023\)](#) demonstrated that stronger financial self-efficacy improves financial management capability and strengthens adaptive financial behavior under uncertain economic conditions.

Investment Decision-Making

Investment decision-making refers to the process through which individuals evaluate financial information, assess risks and returns, and choose investment alternatives to achieve financial objectives ([Choudhary et al., 2024](#); [Mongan et al., 2025](#)). Traditional financial theories assume that investors behave rationally based on expected utility maximization. However, behavioral finance perspectives argue that psychological and emotional factors substantially influence investment decisions.

Recent literature suggests that investment decisions are influenced not only by financial literacy and economic conditions but also by emotional states, cognitive biases, and psychological confidence ([Choudhary et al., 2024](#); [Fan & Henager, 2022](#)). Anxiety, fear, overconfidence, and emotional instability may alter risk perception and reduce decision quality.

Operationally, investment decision-making in this study refers to the individual process of evaluating and selecting investment alternatives based on perceived risks, expected returns, financial confidence, and psychological readiness.

Indicators commonly used to assess investment decision-making include:

1. Ability to evaluate investment risks
2. Confidence in selecting investment instruments
3. Rationality in investment consideration
4. Consistency in investment planning
5. Willingness to make long-term investment decisions

In emerging investment markets, especially among young investors, psychological readiness becomes increasingly important because digital investment platforms often expose individuals to information overload and speculative behavior ([Angreyani et al., 2025](#)).

Relationship Between Financial Anxiety and Investment Decision-Making

Financial anxiety may negatively influence investment decision-making because emotionally distressed individuals tend to avoid uncertainty and become excessively risk-averse. Anxiety can weaken concentration, reduce analytical thinking, and encourage impulsive financial behavior. From a behavioral finance perspective, emotionally unstable investors are more vulnerable to cognitive biases and irrational decision-making ([Choudhary et al., 2024](#)).

Empirical findings by [Lee et al., 2023](#) showed that financial anxiety significantly affects investment hesitation and financial decision quality. Similarly, [Fan and Henager \(2022\)](#) found that financial stress reduces financial confidence and negatively influences financial behavior.

Therefore, the following hypothesis is proposed:

H1: Financial anxiety has a negative and significant effect on investment decision-making.

Relationship Between Financial Anxiety and Financial Self-Efficacy

Social Cognitive Theory explains that emotional conditions influence self-efficacy perceptions ([Bandura, 1999](#)). High anxiety levels may weaken individual confidence in handling financial challenges and making financial decisions. Individuals experiencing persistent financial anxiety are likely to perceive themselves as less capable of managing investment risks and financial uncertainty.

Recent studies indicate that financial stress and anxiety reduce individual confidence in financial management capability (Kumar, 2026). Financially anxious individuals often doubt their ability to make appropriate investment choices ([Lee et al., 2023](#)).

Therefore, the following hypothesis is proposed:

H2: Financial anxiety has a negative and significant effect on financial self-efficacy.

Relationship Between Financial Self-Efficacy and Investment Decision-Making

Financial self-efficacy positively influences investment decision-making because individuals who possess strong financial confidence are more capable of evaluating financial information, managing investment risks, and making rational decisions. Self-efficacy also strengthens emotional resilience under uncertain market conditions.

Research by [Brooks & Williams \(2022\)](#) and [Anggraini et al. \(2024\)](#) confirmed that financial self-efficacy improves financial behavior and investment confidence. Investors with stronger financial self-efficacy tend to demonstrate better long-term financial planning and more consistent investment behavior.

Therefore, the following hypothesis is proposed:

H3: Financial self-efficacy has a positive and significant effect on investment decision-making.

The Mediating Role of Financial Self-Efficacy

Based on Social Cognitive Theory, anxiety may indirectly affect behavior through changes in self-efficacy beliefs ([Anggraini et al., 2024](#)). In investment contexts, financial anxiety may reduce individual confidence in managing financial matters, which subsequently weakens investment decision quality ([Lee et al., 2023](#)). Thus, financial self-efficacy potentially acts as a psychological mechanism connecting financial anxiety and investment decision-making.

Although previous studies have separately examined the relationships among these variables, limited research has specifically investigated the mediating role of financial self-efficacy within behavioral finance contexts, particularly in emerging economies.

Therefore, the following hypothesis is proposed:

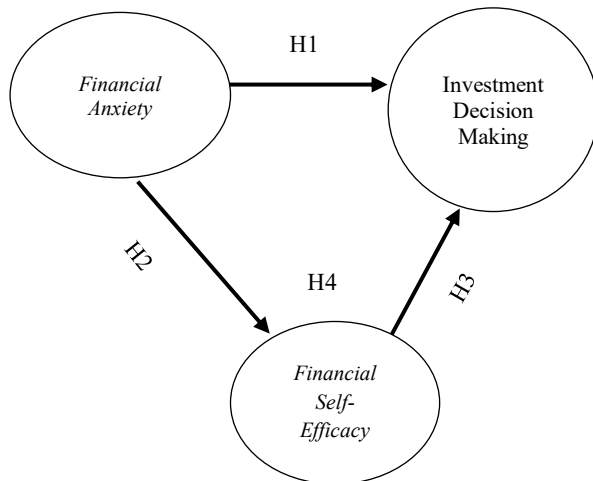
H4: Financial self-efficacy mediates the relationship between financial anxiety and investment decision-making.

Conceptual Framework

Based on the theoretical explanations and empirical findings above, this study develops a conceptual framework in which financial anxiety acts as the independent variable, investment decision-making serves as the dependent variable, and financial self-efficacy functions as the

mediating variable. The model assumes that financial anxiety directly influences investment decision-making and indirectly affects investment decisions through financial self-efficacy.

The proposed framework is expected to contribute to the behavioral finance literature by providing a more comprehensive explanation regarding the psychological mechanisms underlying individual investment behavior. See **Figure 1**.



Source: Author's Perception (2026)

Figure 1. Conceptual Framework

METHODS

Research Design

This study employs a quantitative research approach using an explanatory research design to examine the causal relationships among financial anxiety, financial self-efficacy, and investment decision-making. The quantitative approach is considered appropriate because the study aims to test hypotheses and analyze the structural relationships among variables using statistical procedures (Hair et al., 2022). Furthermore, this research adopts a mediation model to investigate whether financial self-efficacy acts as an intervening variable in the relationship between financial anxiety and investment decision-making (Hair et al., 2021).

The study utilizes a cross-sectional survey design in which data are collected from respondents at a single point in time. A survey method was selected because it enables researchers to gather standardized information from a relatively large number of respondents efficiently and systematically (Singarimbun, M & Effendi, 2008). The research framework was developed based on Social Cognitive Theory and

behavioral finance perspectives, emphasizing the interaction between psychological conditions and financial behavior.

Population and Sample

The population of this study consists of individual investors who actively participate in investment activities through financial instruments such as stocks, mutual funds, digital assets, and other capital market products in Indonesia. The study specifically focuses on retail investors because this group is highly exposed to financial uncertainty, emotional investment behavior, and digital financial information.

This study employs a non-probability sampling technique using purposive sampling. Purposive sampling was selected because respondents are required to meet specific criteria relevant to the research objectives (Memon et al., 2025). The respondent criteria established in this study are as follows:

1. Respondents must be at least 18 years old.
2. Respondents must have investment experience for a minimum of one year.
3. Respondents must actively own or manage at least one investment instrument.
4. Respondents must possess basic knowledge regarding financial and investment activities.

The determination of sample size follows the recommendation for Partial Least Squares Structural Equation Modeling (PLS-SEM), which suggests that the minimum sample size should be between 5 and 10 times the total number of indicators used in the research model (Hair et al., 2021). This study utilizes 15 indicators consisting of five indicators for each variable, namely financial anxiety, financial self-efficacy, and investment decision-making.

Thus, the minimum recommended sample size is:

$$n = 10 \times 15 = 150$$

Based on this calculation, the study uses 150 respondents as the research sample. This sample size is considered adequate for conducting PLS-SEM analysis and testing the mediation model proposed in this study.

Research Location and Time

This research was conducted in Balikpapan, East Kalimantan, Indonesia, focusing on individual retail investors who actively engage in digital and conventional investment activities.

Data collection was carried out online using structured questionnaires distributed through social media platforms, investment communities, and online investor forums. The online distribution method was selected to facilitate broader respondent coverage and improve data collection efficiency.

The data collection process was conducted over a three-month period, from January 2026 to March 2026. This period was considered appropriate because investment activities during this timeframe reflected relatively dynamic market conditions and allowed researchers to capture respondents' psychological and behavioral tendencies in investment decision-making.

Data Collection Technique

The primary data used in this study were collected through a structured questionnaire administered electronically using an online survey platform. The questionnaire was developed based on previously validated measurement scales adapted from relevant behavioral finance and financial psychology studies (Sugiyono, 2021).

All measurement items were assessed using a five-point Likert scale, ranging from:

- 1 = Strongly Disagree
- 2 = Disagree
- 3 = Neutral
- 4 = Agree
- 5 = Strongly Agree

The questionnaire consisted of two main sections. The first section collected demographic information such as age, gender, educational background, investment experience, and type of investment instrument owned. The second section measured the constructs of financial anxiety, financial self-efficacy, and investment decision-making.

Before large-scale data collection, a pilot test was conducted involving a limited number of respondents to ensure the clarity, reliability, and validity of the questionnaire items.

Data Analysis Technique

The data in this study were analyzed using SmartPLS through the Partial Least Squares Structural Equation Modeling (PLS-SEM) approach. PLS-SEM was selected because it is considered appropriate for predictive and exploratory research models involving complex

relationships among latent variables. In addition, this analytical approach is widely utilized in behavioral finance and social science research due to its ability to accommodate mediation models, relatively small sample sizes, and data distributions that do not necessarily meet strict normality assumptions (Hair et al., 2021).

The analysis procedure in this study consisted of two main stages, namely the evaluation of the measurement model (outer model) and the evaluation of the structural model (inner model). The outer model evaluation was conducted to assess the validity and reliability of the measurement instruments used for each construct. Convergent validity was examined using factor loading values and Average Variance Extracted (AVE). Indicator loading values exceeding 0.70 and AVE values above 0.50 indicate that the indicators adequately represent their respective constructs (Hair et al., 2019). In addition, discriminant validity was assessed using the Fornell-Larcker Criterion (Fornell & Larcker, 1981) and the Heterotrait-Monotrait Ratio (HTMT) to ensure that each construct was empirically distinct from other constructs within the research model (Hair et al., 2019; Henseler et al., 2015). Reliability testing was further conducted using Cronbach's Alpha and Composite Reliability values, with coefficients above 0.70 indicating satisfactory internal consistency (Hair et al., 2019).

Following the evaluation of the measurement model, the structural model evaluation was carried out to examine the proposed hypotheses and the relationships among variables. This stage involved analyzing path coefficients to determine the direction and strength of the relationships between constructs. The coefficient of determination (R^2) was also assessed to measure the explanatory power of the endogenous variables within the model. Furthermore, predictive relevance (Q^2) and effect size (f^2) analyses were conducted to evaluate the predictive capability and substantive impact of each exogenous construct on the endogenous variables (Hair et al., 2019).

Hypothesis testing was performed using the bootstrapping procedure with a significance level of 5 percent ($\alpha = 0.05$). A hypothesis was considered statistically supported when the t-statistic exceeded 1.96 and the p-value was below 0.05. Moreover, mediation analysis was conducted to examine the indirect effect of financial anxiety on investment decision-making

through financial self-efficacy. The mediating effect was determined based on the significance of the indirect path coefficients generated through the bootstrapping procedure. This analytical approach enables a more comprehensive understanding of the psychological mechanisms underlying investment decision-making behavior among individual investors ([Hair et al., 2019](#)).

Table 3. Measurement Items

Variable	Code	Measurement Items	References
Financial Anxiety	FA1	I often feel worried about my financial future.	(Kumar, 2026; Lee et al., 2023)
	FA2	Financial uncertainty makes me feel stressed.	
	FA3	I feel anxious when making investment-related decisions.	
	FA4	I worry about potential financial losses from investments.	
	FA5	Financial problems negatively affect my emotional condition.	
Financial Self-Efficacy	FSE1	I am confident in managing my personal finances effectively.	(Alfiana et al., 2025; Anggraini et al., 2024; Mindra & Moya, 2017)
	FSE2	I believe I can make appropriate investment decisions.	
	FSE3	I am capable of evaluating investment risks independently.	
	FSE4	I can manage financial challenges effectively.	
	FSE5	I am confident in achieving my long-term financial goals.	

Variable	Code	Measurement Items	References
Investment Decision-Making	IDM1	I carefully evaluate risks before investing.	(Choudhary et al., 2024; Mongan et al., 2025)
	IDM2	I make investment decisions based on rational considerations.	
	IDM3	I feel confident when selecting investment instruments.	
	IDM4	I consistently plan my investments for long-term objectives.	
	IDM5	I can make investment decisions independently.	

Source: Compile from previous literature (2026)

RESULTS

Respondent Characteristics

This study involved 150 respondents consisting of individual investors in Indonesia who actively participated in various investment activities, including stocks, mutual funds, digital assets, and other financial instruments. The demographic characteristics of respondents were analyzed to provide a general overview of the sample distribution and to strengthen the interpretation of the research findings.

Based on gender distribution, male respondents dominated the sample, indicating that investment participation among men remains relatively higher compared to women in the observed sample. In terms of age, the majority of respondents were categorized within the productive age group of 21–30 years, reflecting the growing participation of younger generations in digital investment activities. Furthermore, most respondents possessed undergraduate educational backgrounds, suggesting that educational attainment may influence financial awareness and investment participation.

Regarding investment experience, the majority of respondents had between one and three years of investment experience, indicating that most participants were relatively novice or intermediate investors. This condition is relevant to the context

of the study because less experienced investors are generally more vulnerable to financial anxiety and emotional investment behavior.

Table 4. Respondent Characteristics (n=150)

Characteristics	Category	Frequency	Percentage (%)
Gender	Male	88	58.7
	Female	62	41.3
Age	18–20 Years	19	12.7
	21–30 Years	76	50.7
	31–40 Years	38	25.3
	> 40 Years	17	11.3
Education Level	High School	21	14.0
	Diploma	27	18.0
	Bachelor's Degree	79	52.7
Investment Experience	Postgraduate Degree	23	15.3
	1–3 Years	71	47.3
	4–6 Years	46	30.7
	> 6 Years	33	22.0
Main Investment Instrument	Stocks	59	39.3
	Mutual Funds	41	27.3
	Cryptocurrency	32	21.3
	Gold and Others	18	12.0

Source: Primary data (2026)

The respondent profile indicates that the study predominantly captured young and active investors who are relatively familiar with digital financial platforms and investment activities. This demographic composition is considered suitable for examining psychological factors influencing investment decision-making behavior.

Measurement Model Evaluation (Outer Model)

The measurement model evaluation was conducted to assess the validity and reliability of the research constructs. This evaluation included convergent validity, discriminant validity, and construct reliability testing ([Hair et al., 2019](#)).

Convergent Validity. Convergent validity was assessed using factor loading values and Average Variance Extracted (AVE). Indicators with loading values above 0.70 were considered acceptable and capable of adequately representing their respective latent constructs ([Hair et al., 2019](#)).

Table 5. Convergent Validity Results

Variable	Indicator	Loading Factor	Result
Financial Anxiety	FA1	0.812	Valid
	FA2	0.845	Valid
	FA3	0.798	Valid
	FA4	0.821	Valid
	FA5	0.784	Valid
Financial Self-Efficacy	FSE1	0.833	Valid
	FSE2	0.851	Valid
	FSE3	0.804	Valid
	FSE4	0.822	Valid
	FSE5	0.796	Valid
Investment Decision-Making	IDM1	0.844	Valid
	IDM2	0.859	Valid
	IDM3	0.813	Valid
	IDM4	0.825	Valid
	IDM5	0.801	Valid

Source: Smart-PLS output (2026)

All indicators demonstrated loading factor values exceeding 0.70, indicating satisfactory convergent validity. Therefore, all measurement items were retained for further analysis.

Table 6. Average Variance Extracted (AVE) and Reliability Results

Variable	AVE	Cronbach's Alpha	Composite Reliability	Result
Financial Anxiety	0.663	0.873	0.907	Reliable
Financial Self-Efficacy	0.681	0.882	0.914	Reliable
Investment Decision-Making	0.695	0.889	0.919	Reliable

Source: Smart-PLS output (2026)

The AVE values for all constructs exceeded 0.50, indicating adequate convergent validity. Additionally, Cronbach's Alpha and Composite Reliability values were above 0.70, confirming satisfactory internal consistency and construct reliability ([Hair et al., 2019](#)).

Discriminant Validity. Discriminant validity was assessed using the Fornell-Larcker Criterion ([Fornell & Larcker, 1981](#)). The square root of each construct's AVE exceeded the correlations with other constructs, indicating that

each variable possessed adequate discriminant validity.

Table 7. Fornell-Larcker Criterion

Variable	FA	FSE	IDM
Financial Anxiety (FA)	0.814		
Financial Self-Efficacy (FSE)	-0.563	0.825	
Investment Decision-Making (IDM)	-0.517	0.684	0.834

Source: Smart-PLS output (2026)

The results indicate that each construct is empirically distinct from the others, thereby satisfying discriminant validity requirements.

Structural Model Evaluation (Inner Model)

The structural model evaluation was conducted to examine the relationships among variables and test the proposed hypotheses.

Coefficient of Determination (R^2).

Coefficient of Determination (R^2) is a statistical measure used to evaluate how well the independent variables explain the variance of the dependent variable within a structural model. In the context of Partial Least Squares Structural Equation Modeling (PLS-SEM), the R^2 value indicates the predictive accuracy and explanatory power of endogenous constructs in the research model (Hair et al., 2019).

More specifically, R^2 reflects the proportion of variance in an endogenous variable that can be explained by its exogenous variables. A higher R^2 value indicates that the independent variables possess stronger explanatory capability toward the dependent variable, whereas a lower R^2 value suggests limited explanatory strength (Hair et al., 2019).

Table 8. Coefficient of Determination (R^2)

Endogenous Variable	R^2	Interpretation
Financial Self-Efficacy	0.317	Moderate
Investment Decision-Making	0.524	Moderate

Source: Smart-PLS output (2026)

The R^2 value for financial self-efficacy indicates that financial anxiety explains 31.7% of the variance in financial self-efficacy. Meanwhile, financial anxiety and financial self-efficacy jointly explain 52.4% of the variance in investment decision-making.

Effect Size (f^2). Effect Size (f^2) analysis is conducted to evaluate the magnitude of the

contribution of each exogenous variable to the endogenous variable within the structural model. While the coefficient of determination (R^2) explains the overall explanatory power of the model, the f^2 value specifically measures how strongly an independent variable contributes to changes in the R^2 value of the dependent construct when the variable is included or excluded from the model (Hair et al., 2019).

According to Haryono (2017), the interpretation of effect size values is generally categorized as follows:

f^2 Value Interpretation

0.02	Small Effect
0.15	Medium Effect
0.35	Large Effect

The effect size results in this study are presented in the following table.

Table 9. Effect Size (f^2) Results

Relationship	f^2 Value	Interpretation
Financial Anxiety → Financial Self-Efficacy	0.464	Large Effect
Financial Anxiety → Investment Decision-Making	0.118	Small Effect
Financial Self-Efficacy → Investment Decision-Making	0.387	Large Effect

Source: Smart-PLS output (2026)

The results indicate that financial anxiety has a large effect on financial self-efficacy, suggesting that psychological financial distress substantially influences individuals' confidence in managing financial matters. Meanwhile, the direct effect of financial anxiety on investment decision-making is categorized as small, implying that although anxiety significantly influences investment decisions, its direct contribution is relatively limited. On the other hand, financial self-efficacy demonstrates a large effect on investment decision-making, indicating that financial confidence is a major determinant of rational and effective investment behavior.

These findings further support the mediating role of financial self-efficacy in explaining the relationship between financial anxiety and investment decision-making.

Predictive Relevance (Q^2). Predictive Relevance (Q^2) analysis is used to assess the

predictive capability of the structural model. This test evaluates whether the model possesses sufficient predictive relevance for endogenous constructs. In PLS-SEM, predictive relevance is commonly assessed using the blindfolding procedure.

A Q^2 value greater than zero indicates that the model has predictive relevance, whereas a value below zero suggests that the model lacks predictive capability (Hair et al., 2019).

The general interpretation of Q^2 values is as follows:

Q^2 Value	Interpretation
0.02	Small Predictive Relevance
0.15	Medium Predictive Relevance
0.35	Large Predictive Relevance

The predictive relevance results are presented below.

Table 10. Predictive Relevance (Q^2) Results

Endogenous Variable	Q^2 Value	Interpretation
Financial Self-Efficacy	0.208	Medium Predictive Relevance
Investment Decision-Making	0.364	Large Predictive Relevance

Source: Smart-PLS output (2026)

The findings demonstrate that the structural model possesses satisfactory predictive capability. The Q^2 value for financial self-efficacy indicates that the model has moderate predictive relevance in explaining variations in financial confidence. Furthermore, the Q^2 value for investment decision-making exceeds 0.35, indicating strong predictive relevance.

These results confirm that the research model is not only statistically significant but also possesses adequate predictive power in explaining investment decision-making behavior among individual investors. Consequently, the structural model developed in this study can be considered robust and relevant within the context of behavioral finance research.

Hypothesis Testing

Hypothesis testing was conducted using the bootstrapping procedure in SmartPLS with a significance level of 5% (Hair et al., 2019).

Table 11. Direct Effect Testing

Hypot hesis	Relationship	Path Coefficient	T-Statistic	P-Value	Result
H1	Financial Anxiety → Investment Decision-Making	-0.286	3.421	0.001	Supported
H2	Financial Anxiety → Financial Self-Efficacy	-0.563	7.118	0.000	Supported
H3	Financial Self-Efficacy → Investment Decision-Making	0.571	6.884	0.000	Supported

Source: Smart-PLS output (2026)

The results indicate that financial anxiety has a negative and significant effect on investment decision-making. This finding suggests that higher levels of financial anxiety tend to reduce the quality and confidence of investment decisions. Furthermore, financial anxiety significantly reduces financial self-efficacy, implying that psychologically distressed individuals tend to have lower confidence in managing financial matters. On the other hand, financial self-efficacy positively influences investment decision-making, indicating that financially confident individuals are more capable of making rational and consistent investment decisions.

Mediation Analysis. The mediation analysis was conducted to examine whether financial self-efficacy mediates the relationship between financial anxiety and investment decision-making.

Table 11. Indirect Effect Testing

Relationship	Indirect Effect	T-Statistic	P-Value	Result
Financial Anxiety → Financial Self-Efficacy → Investment Decision-Making	-0.321	5.237	0.000	Supported

Source: Smart-PLS output (2026)

The indirect effect result demonstrates that financial self-efficacy significantly mediates the relationship between financial anxiety and investment decision-making. This finding indicates that financial anxiety indirectly weakens investment decision quality by reducing individual confidence in financial management capability.

Overall, the findings confirm the relevance of Social Cognitive Theory in explaining the psychological mechanisms underlying investment behavior. Emotional conditions such as financial anxiety significantly influence investment decisions both directly and indirectly through financial self-efficacy.

DISCUSSION

The Effect of Financial Anxiety on Investment Decision-Making

The findings of this study reveal that financial anxiety has a negative and significant effect on investment decision-making. This result indicates that individuals experiencing higher levels of financial anxiety tend to demonstrate lower confidence, weaker rationality, and greater hesitation when making investment decisions. In other words, psychological distress related to financial uncertainty may reduce investors' ability to evaluate risks objectively and make effective financial judgments.

This phenomenon occurs because financial anxiety often triggers emotional instability and cognitive pressure during financial evaluation processes. Individuals who experience excessive financial worry generally become more risk-averse and emotionally reactive toward market fluctuations. As a consequence, they tend to postpone investment decisions, avoid potentially beneficial investment opportunities, or make impulsive decisions driven by fear rather than rational analysis. Within the framework of behavioral finance, anxiety is considered one of the emotional biases capable of distorting investor judgment and weakening decision quality.

The results support the argument of Behavioral Finance, which emphasizes that financial decisions are not solely influenced by rational calculations but are also shaped by psychological and emotional conditions ([Choudhary et al., 2024](#)). During periods of financial uncertainty, investors frequently experience fear of loss, uncertainty regarding future financial stability, and emotional

discomfort, all of which contribute to suboptimal investment behavior.

The findings are consistent with previous studies conducted by [Lee et al. \(2023\)](#), which demonstrated that financial anxiety significantly influences investment hesitation and financial decision quality. Similarly, [Fan and Henager \(2022\)](#) found that financially stressed individuals tend to exhibit weaker financial behavior and lower financial confidence. However, the present study extends prior research by specifically examining investment decision-making within the context of mediation analysis involving financial self-efficacy. Therefore, the novelty of this study lies in its ability to explain not only the direct impact of financial anxiety but also the psychological mechanism through which anxiety affects investment behavior.

The findings also reflect contemporary investment conditions characterized by high market volatility, information overload, and increasing digital financial participation ([Nadeem et al., 2020](#)). Many novice investors lack emotional preparedness and become highly vulnerable to anxiety-driven financial decisions. Consequently, emotional stability emerges as an important determinant of sustainable investment behavior.

The Effect of Financial Anxiety on Financial Self-Efficacy

The empirical results indicate that financial anxiety negatively and significantly affects financial self-efficacy. This finding suggests that higher levels of financial anxiety reduce individuals' confidence in their ability to manage finances, evaluate investment opportunities, and overcome financial challenges.

This relationship can be explained through Social Cognitive Theory proposed by Albert Bandura. According to this theory, emotional states constitute one of the primary factors influencing self-efficacy beliefs. Negative emotional conditions such as fear, stress, and anxiety may weaken individuals' perceptions of competence and capability ([Bandura, 1999](#)). In financial contexts, individuals experiencing persistent financial anxiety often perceive themselves as incapable of managing financial uncertainty effectively.

Psychologically, financially anxious individuals tend to doubt their investment knowledge, underestimate their financial competence, and rely excessively on external

opinions when making financial decisions. This condition weakens self-confidence and limits independent financial behavior. Consequently, financial anxiety not only affects emotional well-being but also undermines cognitive confidence related to financial management capability.

The results align with the findings of [Kumar \(2026\)](#), which showed that emotional stress negatively influences financial confidence and financial behavior. Likewise, [Anggraini et al. \(2024\)](#) emphasized that psychological readiness is closely associated with financial self-efficacy and adaptive financial behavior. Nevertheless, this study contributes additional insight by positioning financial self-efficacy as a mediating mechanism connecting financial anxiety and investment decision-making.

The findings imply that strengthening financial self-efficacy requires not only improving financial literacy but also reducing psychological financial distress. Therefore, financial education programs should integrate emotional resilience and psychological preparedness into investment literacy initiatives.

The Effect of Financial Self-Efficacy on Investment Decision-Making

This study also demonstrates that financial self-efficacy positively and significantly affects investment decision-making. The result indicates that individuals with stronger financial confidence are more capable of making rational, consistent, and independent investment decisions.

Financial self-efficacy enables investors to evaluate financial information more effectively, manage investment risks more confidently, and maintain emotional stability during uncertain market conditions. Individuals who believe in their financial capability are generally more willing to engage in long-term investment planning and less likely to be influenced by temporary market fluctuations or speculative behavior.

From the perspective of Social Cognitive Theory, self-efficacy plays a central role in shaping behavioral performance ([Bandura, 1999](#)). Individuals with strong efficacy beliefs tend to demonstrate persistence, confidence, and better problem-solving capability. In investment activities, these characteristics are essential because financial markets inherently involve uncertainty and risk exposure.

The findings are consistent with previous studies by [Brooks & Williams \(2022\)](#) and

[Frimayasa et al. \(2025\)](#), both of which confirmed that financial self-efficacy positively influences financial behavior and investment confidence. However, this study expands the literature by demonstrating that financial self-efficacy functions not only as a direct predictor of investment behavior but also as a psychological mechanism capable of mitigating the negative influence of financial anxiety.

Interestingly, the effect size analysis revealed that financial self-efficacy possesses a large effect on investment decision-making. This indicates that financial confidence is among the most influential psychological determinants of investment behavior in the research model. Such findings reinforce the importance of developing investor confidence alongside financial literacy enhancement.

The Mediating Role of Financial Self-Efficacy

One of the most important findings of this study is the significant mediating role of financial self-efficacy in the relationship between financial anxiety and investment decision-making. The results indicate that financial anxiety indirectly weakens investment decision quality by reducing individuals' confidence in their financial management capability.

This finding confirms the mediation mechanism proposed by Social Cognitive Theory, which explains that emotional conditions influence behavioral outcomes through cognitive self-beliefs ([Anggraini et al., 2024](#); [Bandura, 1999](#); [Thomas & Gupta, 2021](#)). In this context, financial anxiety does not merely influence investment behavior directly; rather, anxiety first erodes financial self-efficacy, which subsequently affects investment decision-making.

The mediation result demonstrates that psychologically distressed investors are not automatically poor decision-makers. Instead, the negative impact of anxiety becomes more severe when individuals lack confidence in their financial capability. Therefore, financial self-efficacy acts as a protective psychological resource that helps individuals maintain rational investment behavior despite experiencing financial uncertainty.

This finding represents an important contribution to behavioral finance literature because previous studies largely focused on direct relationships between psychological variables and financial behavior. Limited empirical evidence has examined the indirect psychological pathways

connecting financial anxiety and investment decisions, particularly in emerging market contexts such as Indonesia. Therefore, the present study provides a more comprehensive explanation regarding the psychological processes underlying investor behavior.

The mediation findings also explain why some investors remain capable of making rational decisions despite economic uncertainty. Investors possessing strong financial self-efficacy tend to demonstrate greater emotional control, stronger financial resilience, and higher confidence when facing market volatility.

Theoretical Implications

This study contributes theoretically to the development of behavioral finance literature by integrating financial anxiety, financial self-efficacy, and investment decision-making into a comprehensive mediation framework. The findings strengthen the relevance of Social Cognitive Theory in explaining investment behavior within financial contexts, particularly regarding how emotional conditions influence behavioral outcomes through self-efficacy mechanisms ([Bandura, 1999](#)).

Furthermore, this study extends previous research by demonstrating that financial self-efficacy serves as a significant psychological mediator linking emotional distress and investment behavior ([Anggraini et al., 2024](#)). This contribution enriches the understanding of psychological mechanisms underlying financial decision-making, especially among retail investors in emerging economies.

The study also supports the growing argument within behavioral finance that investment decisions are not purely rational processes but are strongly influenced by emotional and cognitive psychological factors ([Bandura, 1999](#); [Choudhary et al., 2024](#); [Thomas & Gupta, 2021](#)). Therefore, psychological dimensions should receive greater attention in future investment behavior research.

Practical Implications

Practically, the findings suggest that improving investment quality among retail investors requires more than financial literacy enhancement alone. Policymakers, financial institutions, and investment educators should also focus on strengthening investors' psychological resilience and financial confidence.

Financial education programs should incorporate emotional management, financial stress reduction, and self-confidence development into investment literacy initiatives. Such programs may help investors become more emotionally prepared when facing financial uncertainty and market volatility.

For investment companies and fintech platforms, the findings indicate the importance of providing investor support systems that reduce psychological pressure during investment activities. Features such as risk education, financial planning assistance, and behavioral guidance may help minimize anxiety-driven investment behavior.

Finally, the study highlights the importance of psychological readiness among novice investors. As digital investment participation continues to grow rapidly, investor protection strategies should address emotional and behavioral vulnerabilities in addition to technical financial competence ([Choudhary et al., 2024](#)).

CONCLUSION

This study investigates the relationships among financial anxiety, financial self-efficacy, and investment decision-making by examining the mediating role of financial self-efficacy within the context of individual investors in Indonesia. The findings demonstrate that financial anxiety negatively and significantly affects investment decision-making, indicating that higher levels of financial distress tend to reduce investors' ability to make rational, confident, and consistent financial decisions. The study also confirms that financial anxiety negatively influences financial self-efficacy, suggesting that psychologically distressed individuals are more likely to experience lower confidence in managing financial matters and investment-related challenges.

Furthermore, the results reveal that financial self-efficacy positively and significantly affects investment decision-making. Investors possessing stronger confidence in their financial capability tend to demonstrate more effective investment behavior, better risk evaluation, and greater consistency in long-term financial planning. Most importantly, this study confirms the mediating role of financial self-efficacy in the relationship between financial anxiety and investment decision-making. The findings indicate that financial anxiety indirectly weakens investment

decision quality by reducing individuals' financial confidence.

The study contributes theoretically by strengthening the relevance of Social Cognitive Theory in explaining investment behavior through psychological mechanisms involving emotional conditions and self-efficacy beliefs. The research also enriches behavioral finance literature by providing empirical evidence regarding the indirect psychological pathways connecting financial anxiety and investment decision-making, particularly within emerging market contexts.

Practically, the findings emphasize that improving investment quality among retail investors requires not only financial literacy enhancement but also psychological preparedness and emotional resilience development. Financial institutions, policymakers, and investment educators should therefore design investment education programs that integrate financial knowledge with emotional management and self-confidence development. Such initiatives may help investors become more resilient and rational when facing financial uncertainty and market volatility.

Despite its contributions, this study has several limitations. First, the research focuses exclusively on individual investors in Indonesia, which may limit the generalizability of the findings to different economic or cultural contexts. Second, the cross-sectional design restricts the ability to observe behavioral changes over time. Third, the study only examines financial self-efficacy as a mediating variable, whereas other psychological factors such as financial literacy, risk tolerance, emotional intelligence, and overconfidence may also influence investment behavior.

Therefore, future research is encouraged to employ longitudinal approaches, expand the research scope across different countries or investor groups, and incorporate additional psychological and behavioral variables to provide a more comprehensive understanding of investment decision-making behavior in increasingly dynamic financial environments.

REFERENCES

- Alfiana, A., Saripujiana, D., Nurlia, N., & Hasbi, H. (2025). Edukasi Literasi Keuangan Digital untuk UMKM dalam Menghadapi Era Cashless Society. *Jurnal Pengabdian Masyarakat Bhinneka*, 4(2), 1649–1654.
- Anggraini, A., Anggrainie, N., & Suroto. (2024). The Mediating Role of Financial Self-Efficacy in the Relationship between Financial Inclusion, Literacy, and Investment Behavior among Banking Employees in Jakarta. *Journal of Economics, Finance and Management Studies*, 07(10), 6123–6136. <https://doi.org/10.47191/jefms/v7-i10-04>
- Angreyni, F., Todingbua, M. A., & Mongan, B. (2025). The Influence of Investment Knowledge and Risk Perception on Generation Z Investment Decisions with Technological Advancement as a Moderating (Study on Students of the Faculty of Economics and Business, UKI Paulus). *Journal of Marketing Management and Innovative Business Review*, 3(2), 30–45. <https://doi.org/10.63416/mrb.v3i2.385>
- Bandura, A. (1999). Social Cognitive Theory: An Agentic Perspective. *Asian Journal of Social Psychology*, 2(1), 21–41. <https://doi.org/10.1111/1467-839X.00024>
- Brooks, C., & Williams, L. (2022). When it comes to the crunch: Retail investor decision-making during periods of market volatility. *International Review of Financial Analysis*, 80, 102038. <https://doi.org/10.1016/j.irfa.2022.102038>
- Choudhary, S., Yadav, M., & Srivastava, A. P. (2024). Cognitive Biases Among Millennial Indian Investors: Do Personality and Demographic Factors Matter? *FIIB Business Review*, 13(1), 106–117. <https://doi.org/10.1177/23197145211057343>
- Cupák, A., Fessler, P., Hsu, J. W., & Paradowski, P. R. (2022). Investor confidence and high financial literacy jointly shape investments in risky assets. *Economic Modelling*, 116, 106033. <https://doi.org/10.1016/j.econmod.2022.106033>
- Dare, S. E., van Dijk, W. W., van Dijk, E., van Dillen, L. F., Gallucci, M., & Simonse, O. (2023). How Executive Functioning and Financial Self-efficacy Predict Subjective Financial Well-Being via Positive Financial Behaviors. *Journal of Family and Economic Issues*, 44(2), 232–248. <https://doi.org/10.1007/s10834-022->

- 09845-0
- Fan, L., & Henager, R. (2022). A Structural Determinants Framework for Financial Well-Being. *Journal of Family and Economic Issues*, 43(2), 415–428. <https://doi.org/10.1007/s10834-021-09798-w>
- Fornell, C., & Larcker, D. F. (1981). Evaluating Structural Equation Models with Unobservable Variables and Measurement Error. *Journal of Marketing Research*, 18(1), 39–50. <https://doi.org/10.2307/3151312>
- Frimayasa, A., Pandin, M. Y. R., & Kusmaningtyas, A. (2025). The Influence of Financial Literacy and Fintech Usage on Investment Interest Among Generation Z in Jakarta : The Mediating Role of Financial Self-Efficacy. *Jurnal Multidisiplin Sahombu*, 5(04), 795–802. <https://doi.org/10.58471/jms.v5i04>
- Hair, J. F., Howard, M. C., & Nitzl, C. (2021). Review of Partial Least Squares Structural Equation Modeling (PLS-SEM) Using R: A Workbook. In *Structural Equation Modeling: A Multidisciplinary Journal* (Vol. 30, Issue 1). <https://doi.org/10.1080/10705511.2022.2108813>
- Hair, J. F., Page, M., & Brunsveld, N. (2022). *Essentials of Business Research Methods* (14th ed.). Routledge. <https://doi.org/10.4324/9780367330743>
- Hair, J. F., Risher, J. J., Sarstedt, M., & Ringle, C. M. (2019). When to use and how to report the results of PLS-SEM. *European Business Review*, 31(1), 2–24. <https://doi.org/10.1108/EBR-11-2018-0203>
- Haryono, S. (2017). Metode SEM untuk penelitian manajemen dengan AMOS LISREL PLS. *Luxima Metro Media*, 450.
- Henseler, J., Ringle, C. M., & Sarstedt, M. (2015). A new criterion for assessing discriminant validity in variance-based structural equation modeling. *Journal of the Academy of Marketing Science*, 43(1), 115–135. <https://doi.org/10.1007/s11747-014-0403-8>
- Irdawati, & Nurlia. (2025). Pengaruh Literasi Keuangan dan Manajemen Kas terhadap Keberlanjutan UMKM Sektor Perdagangan di Kota Bekasi. *ECOHOLIC: Jurnal Ekonomi Holistik*, 1(1), 35–48. <https://ojs.ukipaulus.ac.id/index.php/jeh/article/view/855>
- Kumar, V. (2026). Modelling Financial Behaviour in the Digital Era: An SEM Approach to Knowledge, Anxiety and Digital Literacy. *Vision: The Journal of Business Perspective*, May(26). <https://doi.org/10.1177/09722629261450731>
- Lee, J. M., Rabbani, A., & Heo, W. (2023). Examining Financial Anxiety Focusing on Interactions between Financial Knowledge and Financial Self-efficacy. *Journal of Financial Therapy*, 14(1), 1–21. <https://doi.org/10.4148/1944-9771.1279>
- Memon, M. A., Ramayah, T., Ting, H., & Cheah, J. (2025). PURPOSIVE SAMPLING : A REVIEW AND GUIDELINES FOR QUANTITATIVE RESEARCH. *Journal of Applied Structural Equation Modeling*, 9(1), 1–23. [https://doi.org/10.47263/JASEM.9\(1\)01](https://doi.org/10.47263/JASEM.9(1)01)
- Mindra, R., & Moya, M. (2017). Financial self-efficacy: a mediator in advancing financial inclusion. *Equality, Diversity and Inclusion: An International Journal*, 36(2). <https://doi.org/10.1108/EDI-05-2016-0040>
- Mongan, C. J., Halik, J. B., Lambe, K. H. P., & Irdawati, I. (2025). Investor Risk Behavior as a Mediator in the Influence of Financial Literacy on Millennial Investment Decisions : Evidence from Makassar , Indonesia. *Journal of Management and Business Review*, 22(2), 144–162. <https://doi.org/10.34149/jmbr.v22i2.820>
- Nadeem, M. A., Qamar, M. A. J., Nazir, M. S., Ahmad, I., Timoshin, A., & Shehzad, K. (2020). How Investors Attitudes Shape Stock Market Participation in the Presence of Financial Self-Efficacy. *Frontiers in Psychology*, 11(2020). <https://doi.org/10.3389/fpsyg.2020.553351>
- Otoritas Jasa Keuangan (OJK). (2022). *Siaran Pers: Survei Nasional Literasi dan Inklusi Keuangan Tahun 2022*. Siaran Pers. <https://ojk.go.id/id/berita-dan-kegiatan/siaran-pers/Pages/Survei-Nasional-Literasi-dan-Inklusi-Kuangan-Tahun-2022.aspx>
- Otoritas Jasa Keuangan (OJK). (2024). *Perusahaan Fintech Lending Berizin per Desember 2024*. <https://ojk.go.id/id/kanal/iknb/data-dan-statistik/direktori/fintech/Pages/Penyeleng>

- gara-Fintech-Lending-Berizin-di-OJK-per-31-Desember-2024.aspx
- Prawesti Ningrum, E., Setiawan Wibowo, T., Nurlia, & Junianto, P. (2023). Analysis of the Influence of Financial Literacy and Risk Perception on Investing Decisions in the Millennial Generation in the Society 5.0 Era. *International Journal of Economics, Business and Accounting Research (IJEBAR)*, 7(1), 1–10. <https://jurnal.stie-aas.ac.id/index.php/IJEBAR/article/view/8409>
- Rahman, M., Isa, C. R., Masud, M. M., Sarker, M., & Chowdhury, N. T. (2021). The role of financial behaviour, financial literacy, and financial stress in explaining the financial well-being of B40 group in Malaysia. *Future Business Journal*, 7(1), 52. <https://doi.org/10.1186/s43093-021-00099-0>
- Raut, R. K. (2020). Past behaviour, financial literacy and investment decision-making process of individual investors. *International Journal of Emerging Markets*, 15(6), 1243–1263. <https://doi.org/10.1108/IJOEM-07-2018-0379>
- Roreng, P. P., & Halik, J. B. (2025). Anchoring bias and risk aversion in the digital marketplace: investigating their influence on online consumer spending decisions. *Brazilian Journal of Development*, 11(9), 1–23. <https://doi.org/10.34117/bjdv11n9-002>
- Sajid, M., Mushtaq, R., Murtaza, G., Yahiaoui, D., & Pereira, V. (2024). Financial literacy, confidence and well-being: The mediating role of financial behavior. *Journal of Business Research*, 182, 114791. <https://doi.org/10.1016/j.jbusres.2024.114791>
- Singarimbun, M & Effendi, S. (2008). *Metode Penelitian Survei*. LP3ES.
- Sugiyono. (2021). *Metode Penelitian Pendidikan(Kuantitatif, Kualitatif, Kombinasi, R&D dan Penelitian Pendidikan)*. Cv. Alfabeta.
- Thomas, A., & Gupta, V. (2021). Social Capital Theory, Social Exchange Theory, Social Cognitive Theory, Financial Literacy, and the Role of Knowledge Sharing as a Moderator in Enhancing Financial Well-Being: From Bibliometric Analysis to a Conceptual Framework Model. *Frontiers in Psychology*, Volume 12. <https://doi.org/10.3389/fpsyg.2021.664638>