The Effect of Minimum Investment Capital, Perceived Return, and Education on Students' Interest in Stock Investment

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Abstract. Many people, especially business people and students, are more interested in investing in the capital market. However, many obstacles must be faced in this investment, especially for novice investors if they do not understand the procedures correctly for investing or what risks will be met for investors. This research uses quantitative research methods with a descriptive-analytic approach. The analysis was carried out at University X Jakarta, with the research time starting from October 2020 to March 2021. The data in the study were in the form of primary and secondary data—sampling using the purposive sampling method. The number of samples is set at 376 people—data analysis of research results using Validity Test, Multicollinearity Test, and Hypothesis Testing. From the research and analysis data, it can be concluded that: a) Minimum investment variable has a positive effect on student stock investment interest with a parameter coefficient value of 2.296 with a significance level of 0.022; b) The perceived return variable has a positive effect on students' interest in stock investment by showing the parameter coefficient value of 4.532 with a significance level of 0.000, and c) Education variable has a positive effect on student interest in stock investment with a parameter coefficient value of 0.486 with a significance level of 0.627.

Keywords: Influence, Minimum Investment Capital, Perceived Return, Education, Stocks.

1. Introduction

Currently, two paradigms are prevailing in society regarding investment [1]. First, investment is considered a want, and second, investment is regarded as a need. When investing is considered to be a desire, when a person has excess money, the money will tend to be kept as savings rather than used for investment purposes [2]. The money is only used for investment purposes when the owner desires to channel it into investment instruments [3]. The second paradigm states that investment is considered a necessity. This means, if someone has excess money, then the excess will tend to be used for investment rather than saving. The rapid development of information has changed the public's view of investment [4]. People no longer regard investment as a desire but rather as a necessity. The choice depends on the preferences of each potential investor [5].

Investors' preferences in terms of these investments are closely related to assessing investment returns and risks [6]. Every investor can bear different risks, but of course, they expect an appropriate return. Just

calculating the return for an investment is not enough. Risk also needs to be considered because considering an investment is a trade-off of these two factors [7]. Generating student interest in investing in the capital market is not difficult; this can be done by approaching and providing knowledge about the capital market among academics, increasing investment knowledge, and providing guidance or practice to invest in real terms [8].

This is evidenced by several investments such as stocks, bonds, property, and precious metals. However, few of them have no interest in investing because some think investing is complex and requires significant capital [9]. But this is different if someone has an interest in investing, that person will start investing even with minimal money or minimal capital [10]. In addition, a person will take actions that can achieve his desire to support, such as participating in investment seminars and training, accepting offers to invest, and making their investments even with minimal capital [11].

2. Literature Review

To provide the widest possible access to the public so that they can enter the capital market, the Indonesia Stock Exchange (IDX), as the organizer of stock exchange trading, has issued a regulation on changes to the stock trading unit through Decree No. Kep-0071/BEI/11/2013, namely changing the trading unit in 1 lot from 500 shares to 1 lot equals 100 shares [12]. The minimum price of shares traded is IDR. 50, - per share. Then to open a Customer Fund Account (CFA) to a securities company, you only need an ID card and have a bank account and a minimum investment capital of IDR. 100,000,-. With a change in lot units and a minimum investment of IDR. 100,000, - then novice investors can buy 20 lots of shares if the unit price of shares is IDR. 50,- [13]. So it can be concluded the following hypothesis:

H1: Minimum investment variable has a positive effect on student interest in stock investment.

Return is the outcome derived from investment. Returns may be made returns that have occurred or expected returnees, which are not yet produced but are to occur in the future (realized returns estimated using historical data) [14]. Return and investment risk have a positive link; the bigger the risk, the larger the predicted return. Risk is typically related to differences or differences from the expected results. The following hypothesis can therefore be concluded:

H2: Perceived Return variable has a positive effect on student interest in stock investment.

The Capital Market School (SPM) and the Sharia Capital Market School (SPMS) are capital market education and socialization programs that are regularly held by the Indonesia Stock Exchange (IDX) [15]. All the general public can become SPM and SPMS participants as long as they have registered according to the terms and conditions that apply [16]. With IDR 100,000,- you can learn and immediately become a stock investor [17]. So it can be concluded the following hypothesis:

H3: Education variable has a positive effect on student interest in stock investment.

3. Methodology

This research uses quantitative research methods with a descriptive-analytic approach. The research was conducted at University X Jakarta, with the research time starting from October 2020 to March 2021. The data in the study were in the form of primary and secondary data—sampling using the purposive sampling method [18]. The number of samples is set at 376 people—data analysis of research results using Validity Test, Multicollinearity Test, and Hypothesis Testing.

4. Result and Discussion

Respondent Description

The approach employed for the sampling is purposeful sampling, with master's students still active in teaching criteria (still attending classes). The following table shows the sample in this study:

Table 1. Research Sample

	a	b	c = a - b
	Total *	Not active **	Active ***
Master in Accounting	170 people	90 people	80 people
Master in Management	233 people	75 people	158 people
Master of Economics	233 people	135 people	138 people
Total Sample			376 people

Source: Primary data processed, 2021

From the data above, it can be seen that in the accounting master's department, the total number of students is 170 people, 90 of them are not active, and 80 are enthusiastic students. In the management master's department, the total number of students is 223 people, 75 of whom are not involved, and 158 are engaged students. In the master's degree in economics, the total number of students is 273 people, 135 are not affected, and 138 are enthusiastic students. So the entire sample in this study was 376 students.

Table 2. Respondent Statistics

Variable		Description	Percentage (%)
Minimum Investment Capital (X1)	1	Strongly disagree	0.00
	2	disagree	4.72
	3	Doubtful	18.81
	4	Agree	57.66
	5	Strongly agree	18.81
Perceived Return (X2)	1	Return is useless for my future	0.00
	2	Return is quite helpful for my future	22.35
	3	Return is helpful for my future	12.94
	4	Return is beneficial for my future	64.71
Education (X3)	1	Never attended training	0.00
	2	Seldom	27.07
	3	Pretty Routine	16.46
	4	Routine	56.47
Interest in Stock Investment (Y)	1	Slightly interested	7.07
	2	Interested enough	20.00
	3	Interested	45.87
	4	Very interest	27.06

Source: Data processed, 2021

In Table 2, the minimum investment capital variable, as many as 57.66 percent of respondents agree that the minimum investment capital is the primary consideration of respondents in buying shares and 18.81 percent of respondents state that they strongly agree with the minimum capital rules in investing and influence it to purchase shares. As many as 22.3 percent of respondents think that buying shares will provide a reasonably helpful return for their future on the perceived return variable. As many as 12.94 percent of respondents believe that buying shares will provide a reasonable return for the future. And as many as 64.71 percent of respondents think that buying shares will give a beneficial return for their future. On the education variable, 27.07 percent of respondents stated that they occasionally attend investment training. And as many as 16.46 percent of respondents said that they quite regularly participate in investment training. As many as 56.47 percent of respondents stated that they regularly

attend investment training. In the last variable, 45.87 percent of respondents said they are interested in investing in the capital market.

Validity test

The validity or validity of a questionnaire is assessed using a validity test [19]. A questionnaire has been stated to be good if each questionnaire information reveals something that is measured by the questionnaire. In Table 3, the Pearson correlation is observed to be greater for every question than the threshold r (0.213) so that the research tool is considered genuine. In the table below are the findings of the validity test in this study:

Table 3. Validity Test Results

Question Items	Pearson Correlation
Question 1	0.687**
Question 2	0.758**
Question 3	0.412**
Question 4	0.663**

**: *Correlation is significant at the 0.05 level (2-tailed).*
Source: Data processed, 2021

From the data above, it can be seen that all questions are declared valid because the Pearson Correlation of each question is greater than the critical r (0.213).

Multicollinearity Test

The goal of the multicollinearity test is to check whether the independent variables are correlated in the regression model [20]. There should be no correlation between a decent regression model and independent variables. Table 4 presents the outcomes of this trial, i.e. tolerances and VIF values, of the multi-colinearity test.

Table 4. Multicollinearity Test Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	1.345	0.436		3.092	0.004		
Minimum Investment Capital	0.234	0.108	0.228	2.143	0.036	0.736	1.361
Return Perception	0.449	0.119	0.422	3.798	0.000	0.687	1.458
Education	0.127	0.105	0.122	1.209	0.232	0.842	1.188

Source: Data processed, 2021

It can be observed from the data above that the VIF of the Variable Investment Capital (X1), 1.361, the variable Perceived Returns (X2) is 1.458 and the variable in Education, 1.188. The value of tolerance is > 0.10 and the value of VIF < 10. Thus it may be argued that the independent variables in the regression model do not have multicollinearity.

Hypothesis testing

The hypothesis tests are based on the findings of the regression weight analysis value analysis. If the CR and the P-value of the data processing findings are examined and compared to the required statistical limitations which are higher than 1,96 for the CR and below 0,05 for the P-value, the proposed research hypothesis may thus be approved. In the following table you can see the results of the hypothesis tests:

Table 5. Hypothesis Conclusion

	Hypothesis	Value of CR and P	Test results
H1	The Minimum Capital variable has a positive effect on students' interest in stock investment.	CR = 2.296 P = 0.022	Accepted
H2	The perceived return variable has a positive effect on student interest in stock investment.	CR = 4.532 P = 0.000	Accepted
H3	The education variable has a positive effect on student interest in stock investment.	CR = 0.486 P = 0.627	Accepted

Source: SEM Analysis Output Results

The data in Table 5 shows that: 1) The minimum investment capital variable shows the parameter coefficient value of 2.296 with a significance level of 0.022 (smaller than alpha 0.05). This means that the minimum investment capital variable has an effect on the investment interest variable, and H1, which is "The Minimum Investment Capital variable has a positive effect on the student's stock investment interest," is accepted; 2) The return perception variable shows the parameter coefficient value of 4.532 with a significance level of 0.000 (smaller than alpha 0.05). This means that the perceived return variable has an effect on the investment interest variable, and H2, namely "The perceived return variable has a positive effect on the student's stock investment interest," accepted; and 3) Educational variable shows the parameter coefficient value of 0.486 with a significance level of 0.627 (more significant than alpha 0.05). This means that the Education variable affects the investment interest variable, and H3, which is "Educational variable has a positive effect on the student's stock investment interest," is accepted.

5. Conclusion

From the research and analysis data, it can be concluded that: a) Minimum investment variable has a positive effect on student stock investment interest with a parameter coefficient value of 2.296 with a significance level of 0.022; b) The Perceived Return variable has a positive effect on students' interest in stock investment by showing the parameter coefficient value of 4.532 with a significance level of 0.000, and c) Education variable has a positive effect on student interest in stock investment with a parameter coefficient value of 0.486 with a significance level of 0.627.

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