



## Investment Interest in Kota Pari Village Communities: A Study of the Influence of Investment Motivation and Knowledge

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**Abstract.** This study aims to investigate the impact of individual investors' investment motivation and knowledge on their desire to invest in the Indonesia Stock Exchange among residents of Kota Pari Village, Pantai Cermin District, Serdang Bedagai Regency. The willingness to do something is bolstered by the presence of interest, but the incentive to really do it is inextricable from the two. Knowledge is essential for taking action, as ignorance can lead to disastrous consequences. The community's lack of interest stems from their inability to learn about investment opportunities. Realizing how much room there is for growth in Indonesia's economy. The Indonesia Stock Exchange has provided numerous educational and advisory programs for investors. Research submissions showing how investment knowledge and motivation can sway people's interest in investing. The residents of Kota Pari Village in Pantai Cermin District in Serdang Bedagai Regency are hoping to raise their standard of living thanks to the findings of this study. Investing motivation and knowledge were found to have a favorable and significant effect on people's interest in investing in the Indonesia Stock Exchange in Kota Pari Village, Pantai Cermin District, Serdang Bedagai Regency.

**Keywords:** *Investment Motivation, Investment Knowledge, Investment Interest, Society and the Indonesian Stock Exchange*

**Article history:** Received: 01-06-2023; Revised: 15-06-2023; Accepted: 01-07-2023; Available online: 21-07-2023.

**How to cite this article:** Ardian, N., Dwilitia, H., Darmilisani., Selviani, P. (2023). Investment Interest in Kota Pari Village Communities: A Study of the Influence of Investment Motivation and Knowledge. *Journal of Community Research and Service*, 7(1).

### 1. Introduction

Since it serves both economic and financial purposes, the capital market is crucial in keeping a country's economy afloat. The capital market is the meeting point for people with spare cash (investors) and those with a need for cash (businesses) in the form of securities trading. Individual and corporate financiers alike benefit from the capital market's existence. Modern technology advancements also allow traders more options for how to allocate their capital. There is a wealth of resources, especially online, for learning about various investment options and strategies. Indonesia, like many other countries, relies on investment and other forms of foreign aid to help its citizens live better lives. The simplest definition of investment is an investment [3]. Capital market investments are a common type of financial investment. With the introduction of the Indonesia Stock Exchange, this form of investing is now readily available to the general public.

Investment projects have the potential to be a potent tool for lifting economies. The state and the investors both stand to gain from these ventures. When we invest, we put our money to work now so that it can provide for our future needs. Investment can provide a firm or organization with much-needed capital for growth and expansion. Expanding a company's operations not only creates jobs for a huge number of people, but also tax revenue for the government, lowering the unemployment rate. Investment growth is only expected to reach 1.3% in 2020, making it a bleak year for Indonesia [4]. The public and students are increasingly interested in and engaged with the concept of investment. Stocks, bonds, real estate, and precious metals are only some examples of investments that attest to this. Yet many people simply don't see the point in investing, in part because they lack the incentive to do so and in part because they believe investing is difficult and calls for a lot of money. While many people try their hand at

investing, not all succeed due to a lack of knowledge or preparation. The primary reason for this is because they do not have well defined and attainable investment objectives.[5].

Investing in the financial sector for the sole purpose of making a profit is still relatively novel to many people in Indonesia. In Indonesia, both education and ambition are still on the low side. This is because the general population has a limited grasp of the capital market and its investing potential[6]. Understanding the fundamentals of investing is crucial for anyone thinking about getting into the market. The goal here is to keep people from making irrational investing decisions that expose them to fraud, loss, or gambling. Investing in the capital market requires knowledge, experience, and business acumen to determine which securities to buy.[7]. The welfare of the Indonesian people and the nation as a whole can be improved with the help of investment, which is a necessary development tool. The number of participants in the Indonesian capital market has increased, according to the Indonesia Stock Exchange (IDX). Investment growth in Indonesia has been positive, although locals aren't as enthusiastic about the market as those in other countries. A lack of capital market education and knowledge may be to blame for the public's lack of interest.

## **2. Literature Review**

### **2.1. Indonesia Stock Exchange**

The Jakarta Stock Exchange and the Surabaya Stock Exchange have merged to form the Indonesia Stock Exchange, which is conducted in English. On December 14, 1912, the Dutch East Indies government established the Batavia Stock Exchange, the ancestor of today's Indonesian Stock Exchange. Stocks and bonds issued by the Dutch East Indies government as well as other securities were traded. Rapid growth at Batavia's (now Jakarta's) stock exchange prompted the Dutch to establish stock markets in Surabaya on January 11, 1925, and Semarang on August 1, 1925. Due to the political unrest in Europe at the start of 1939, these two markets were eventually shut down.

The onset of WWII and the subsequent cessation of Indonesia's capital market activities led to the closure of the Stock Exchange. The Indonesia Stock Exchange releases information about share price changes to the public via print and electronic media in order to keep investors and the general public up-to-date on the exchange's progress. By 1952, the Republic of Indonesia Government Bonds from 1950 were being traded on the floor of the Jakarta Stock Exchange thanks to the 1952 Capital Market Emergency Law issued by the Minister of Justice (LukmanWiradinata) and the Minister of Finance (Prof.Dr.SumitroDjojohadikusumo). Capital Markets Law no. 8 of 1995 was enacted by the government. This regulation went into effect in 1996. And the Surabaya Stock Exchange did likewise on November 10th, 2007.

### **2.2. Investment**

Investment is a form of delaying consumption in the present to obtain consumption in the future, which requires compensation for the delay because it contains an element of risk of uncertainty(Martalena& Malinda, 2011). According to[1]Investments are classified, as follows:

- a) Investment in financial assets. Where investments are made in the money market, for example certificates of deposit, Money Market Securities (SBPU), and can also be made in the capital market such as stocks, warrants, mutual funds, bonds, options and others.
- b) Investment in real assets. This investment can be made by purchasing productive assets, setting up factories, opening mines, plantations, and others, such as building land or gold.

Based on this, investment can be concluded as a way that is carried out by someone for certain purposes in the future by buying or owning an item or in a company that can provide value with the aim of making a profit.

### **2.3. Investment Interest**

To be interested in something is to pay attention in such a way that one feels motivated to pursue it. According to [8], the term "interest" describes a person's enduring disposition to take

pleasure in learning about a specific topic or area of study. If they're not satisfied, they'll lose interest. Since interest is defined as a strong preference for one action above others, it follows that values that give rise to those other options must be involved[9]. Strong emotional leaning toward a desire is one definition of interest[10]. From this perspective, it is clear that interest is the result of a person's desire for something that he has seen, seen, and with which he has experienced the emergence of sensations of pleasure because it is valuable for himself.

### **2.3. Investment Motivation**

A person's motivation is the inner drive that pushes him or her toward a goal. The human body and soul can be moved to action by another force: motivation[12]in[13]. The state of mind that makes it more likely that a person will take the actions necessary to reach their goals is called motivation[14]in[15].

"Motivation" is defined by Sugianto (2019) as "an internal stimulus that causes an individual to take action in response to the promise of future rewards" (emphasis added). Taking classes or attending capital market training because you're eager to learn more about investing is an example of a step toward your investment goals.

## **3 Method**

### **3.1 Research Method**

This study is quantitative in nature, meaning that it makes use of numerical data and statistical methods of analysis. Data analysis is quantitative in nature and is performed after the data has been collected using research tools for the purpose of testing the hypotheses. Instead of hypothesizing from theory, gathering facts or data, using data to test hypotheses, and lastly deriving conclusions from the findings of data processing, quantitative research starts with the data itself, as stated by[16].

### **3.2 Population and Sample**

According to [17], a population can be thought of as a broad category of things and people with predetermined attributes and characteristics from which inferences can be derived. All residents of Kota Pari Village were included in the study, regardless of whether or not they planned to start a home-based company. As for how the sample is picked, the snowball method is used. According to[17], snowball sampling is a method of taking a sample that starts off tiny and grows. The researcher used snowball sampling because, while selecting the sample, they initially only identified one or two persons, but then looked for more people to complete the data. Thirty participants were surveyed for this study, and their responses were used to draw generalizations.

### **3.3 Data Collection Technique**

Data collection techniques can be done in various ways and in this study it was carried out by:

- a. Observation  
Researchers in collecting data participate in participatory observation in various activities, but not all of them. This can help researchers better observe the increase in people's incomes.
- b. Interview  
Focusing on the problem so that the information collected is deep enough.
- c. Documentation  
Conducted to obtain evidence of research documentation in the form of photos of the interview process, the activities of researchers.

### **3.4. Data Analysis Method**

Quantitative analysis was utilized to make sense of the data in this study; the numbers were crunched using statistical methods with the help of the SPSS v. 25[18] management tool for statistical products and

services. Descriptive statistics, multiple linear regression analysis, hypothesis testing, and classical assumption testing were utilized to examine the data obtained for this study.

## 4 Results and Discussion

### 4.1. Research Result

#### 1. Descriptive Statistical Analysis

**Table 1.** Descriptive Statistical Analysis Test Results

	Descriptive Statistics				
	N	Minimum	Maximum	Means	std. Deviation
Motivation_Investment	30	12.00	27.00	20.4000	4.83949
Knowledge_Investment	30	12.00	28.00	20.0667	4.05083
Interest_Investment	30	9.00	25.00	15.9333	3.99943
Valid N (listwise)	30				

Source: SPSS Processing Results 25, 2023

Based on the results of Table 1., it shows that N or the amount of data for each variable amounts to 30. The minimum value of the Investment Motivation variable is 12.00, the maximum value is 27.00, the mean value is 20.4000 and the Std. Deviation of 4.83949. The Minimum value of the Investment Knowledge variable is 12.00, the Maximum value is 28.00, the Mean value is 20.0667 and the Std. Deviation of 4.05083. The minimum value of the investment interest variable is 9.00, the maximum value is 25.00, the mean value is 15.9333 and the Std. Deviation of 3.99943.

#### 2. Multiple Linear Regression Analysis

**Table 2.** Results of Multiple Linear Regression Analysis

Model		Coefficients <sup>a</sup>				Sig.
		Unstandardized Coefficients		Standardized Coefficients		
		B	std. Error	Betas	t	
1	(Constant)	15,869	5,642		2,813	.009
	Motivation_Investment	.509	.262	.111	2056	.006
	Knowledge_Investment	.406	.294	.106	2031	.046

a. Dependent Variable: Interest\_Investment

Source: SPSS Processing Results 25, 2023

Based on the results of Table 2., multiple linear regression testing, the following results can be obtained:

$$Y = 15.869 + 0.509X_1 + 0.406X_2 + e$$

It is known that the constant value is 15,869. This value can be interpreted if Investment Motivation and Investment Knowledge affect the dependent variable Investment Interest, then the value of the dependent variable Investment Interest is 15,869. It is known that the regression coefficient value of the Investment Motivation variable is 0.509 which is positive. This means that when investment motivation increases by 1 unit, investment interest increases by 0.509. It is known that the value of the regression coefficient of the Investment Knowledge variable is 0.406 which is positive. This means that when investment knowledge increases by 1 unit, investment interest increases by 0.406.

#### 3. Hypothesis Testing Partial Test (t test)

**Table 3.** Partial Test Results (t test)

Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	std. Error	Betas		
1	(Constant)	15,869	5,642		2,813	.009
	Motivation_Investment	.509	.262	.111	2056	.006
	Knowledge_Investment	.406	.294	.106	2031	.046

a. Dependent Variable: Interest\_Investment  
Source: SPSS Processing Results 25, 2023

Based on the results of Table 3., it can be seen that the tcount value of the Investment Motivation variable > from ttable is 2.056 > 1.697 and sig <alpha is 0.006 <0.05, meaning that the Investment Motivation variable has a positive and significant effect on the Investment Interest of the Community in Kota Pari Village, PantaiCermin District SerdangBedagai Regency on the Indonesia Stock Exchange.

It is known that the tcount value of the Investment Knowledge variable > from ttable is 2.031 > 1.697 and sig <alpha is 0.046 <0.05, meaning that the Investment Knowledge variable has a positive and significant effect on Investment Interest of the Community of Kota Pari Village, PantaiCermin District, SerdangBedagai Regency on the Indonesia Stock Exchange .

### Simultaneous Test (Test F)

**Table 4.** Simultaneous Test Results (Test F)

ANOVAa						
Model		Sum of Squares	df	MeanSquare	F	Sig.
1	Regression	401,084	2	33,042	87,002	.008b
	residual	63,782	27	17.177		
	Total	463,867	29			

a. Dependent Variable: Interest\_Investment

b. Predictors: (Constant), Knowledge\_Investment, Motivation\_Investment

Source: SPSS Processing Results 25, 2023

Based on the results of Table 4., it can be seen that the results of the Fcount > from Ftable are 87,002 > 2.53, while sig. < of alpha is 0.008 < 0.05, indicating that simultaneously Investment Motivation and Investment Knowledge have a positive and significant effect on the Investment Interest of the Community of Kota Pari Village, PantaiCermin District, SerdangBedagai Regency on the Indonesia Stock Exchange.

### Coefficient of Determination (R2)

**Table 4.** Test Results for the Coefficient of Determination (R2)

Summary modelb				
Model	R	R Square	Adjusted R Square	std. Error of the Estimate
1	.713a	.700	.774	5.14453

a. Predictors: (Constant), Knowledge\_Investment, Motivation\_Investment

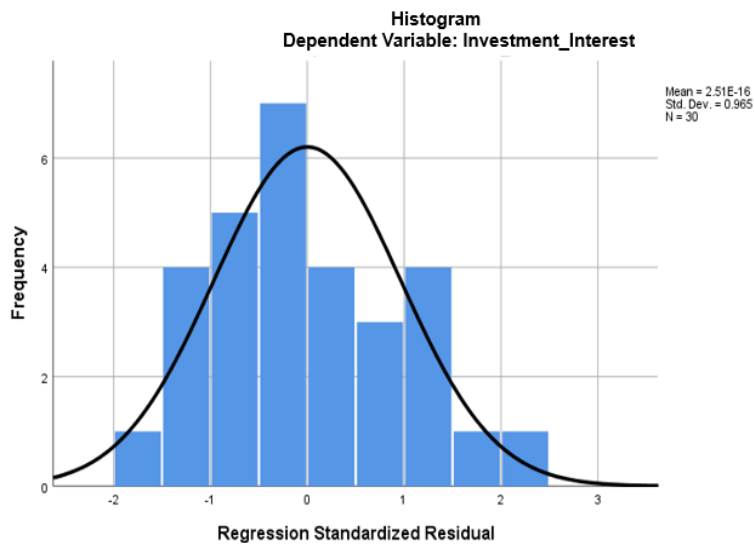
b. Dependent Variable: Interest\_Investment

Source: SPSS Processing Results 25, 2023

Based on the results of Table 4., the R Square value of 0.713 which can be called the coefficient of determination in this case means that 71.3% Investment Interest can be obtained and explained by Investment Motivation and Investment Knowledge. While the remaining 28.7% is explained by variables outside this research model.

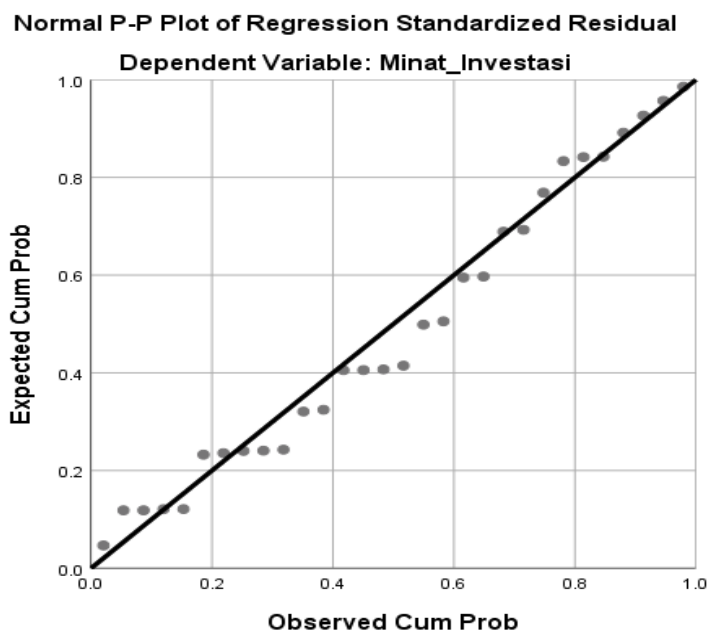
## 4. Classic Assumption Test

### Data Normality Test



**Figure 1.** Histogram Normality Test  
*Source: SPSS Processing Results 25, 2023*

Based on the results of Figure 1., the results of the data normality test show that the data has been distributed normally, where in the histogram image it has a bell-shaped line and has no slope to the left or right.



Based on the results of Figure 2, the results of the data normality test using the PP Plot of Regression Standardized Residual image show that the data points for the variables Investment Motivation and Investment Knowledge are spread around the diagonal line so that the data is normally distributed. Based on the picture above, it can be concluded that the results are normally distributed.

**Multicollinearity Test**

**Table 5.** Multicollinearity Test Results

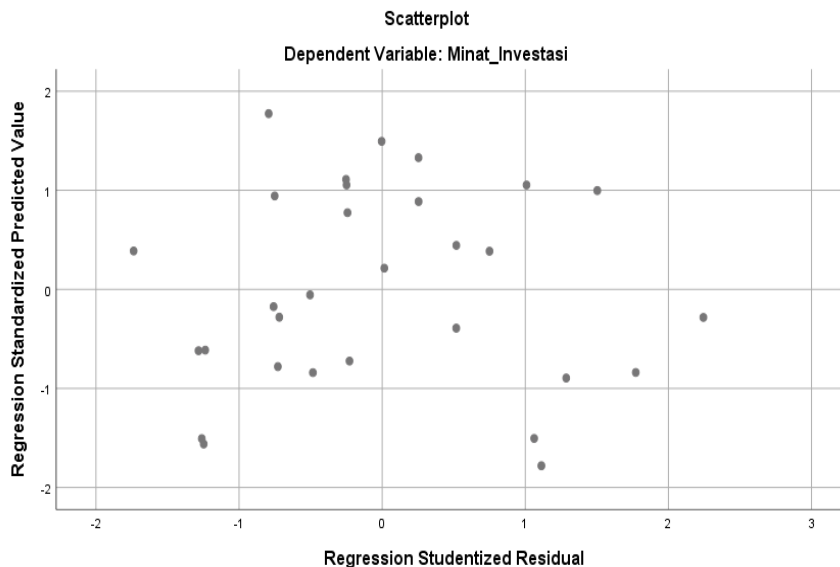
Model	Coefficientsa	Collinearity Statistics	
		tolerance	VIF
1	Motivation Investment	.960	2042

Knowledge Investment	.960	2042
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a. Dependent Variable: Interest\_Investment  
Source: SPSS Processing Results 25, 2023

Based on the results of Table 5., the Tolerance and VIF values for the Investment Motivation and Investment Knowledge variables have a Tolerance value of 0.960 and a VIF value of 2.042. Based on these results it can be seen that the Investment Motivation and Investment Knowledge variables have a Tolerance value of  $> 0.1$  and a VIF value  $< 10$  so that it can be concluded that the Investment Motivation and Investment Knowledge variables do not show symptoms of multicollinearity.

### Heteroscedasticity Test



**Figure 3. Heteroscedasticity Test Scatterplot**  
Source: SPSS Processing Results 25, 2023

Based on the results of Figure 3., the scatterplot shows that the points that have been generated are spread randomly and do not form a particular pattern or trend line. The figure above also shows that the distribution of data is around the zero point. The results of this test indicate that this regression model is free from heteroscedasticity.

## 4.2. Discussion

### 1. The Effect of Investment Motivation on Investment Interest

Based on the results of the research analysis, that the tcount value data of Investment Motivation  $>$  from ttable is  $2.056 > 1.697$  and significant  $< \alpha$  is  $0.006 < 0.05$ , meaning that the investment motivation variable has a positive and significant effect on the Investment Interest of the Community in Pari City Village, Pantai Cermin District, Serdang Bedagai Regency in Indonesia stock exchange. The public does not understand much about the stocks on the Indonesia Stock Exchange. There is still a need for understanding and direct practice in the community. The public tends to invest in stocks based on other factors, not solely to show prestige and self-esteem, but rather to seek sizeable profits but also risks, namely returns on fluctuations in the value of capital market instruments. If the motivation to invest is given to the public, for example, the dissemination of understanding directly from the Indonesian Stock Exchange, maybe some people will invest in the Indonesian Stock Exchange. Because it is clear that the results of the research show that investment motivation has a positive and significant effect on people's investment interest.

### 2. The Effect of Investment Knowledge on Investment Interest

Based on the results of the research analysis, that the tcount value data of Investment Knowledge > from ttable is 2,031 > 1,697 and significant <alpha is 0.046 <0.05, meaning that the investment influence variable has a positive and significant effect on the investment interest of the people of Kota Pari Village, PantaiCermin District, SerdangBedagai Regency in Indonesia stock exchange. Knowledge of investment makes it easier for people to understand how to invest. Furthermore, people will realize that having sufficient knowledge about investment will make it easier for people to invest. Therefore, people who have extensive knowledge about investment tend to have motivation to participate in investing, whether it is motivation from outside or from within the community.

### 3. The Effect of Investment Motivation and Investment Knowledge on Investment Interest

Based on the results of the research analysis, that the data value of Fcount of Investment Motivation and Investment Knowledge > from Ftable is 87.002 > 2.53 and significant <alpha is 0.008 <0.05, meaning that the variable Investment Motivation and Investment Knowledge has a positive and significant effect on the Investment Interest of the Village Community of Kota Pari District PantaiCerminSerdangBedagai Regency on the Indonesia Stock Exchange. Investment motivation is an urge or desire in a person to take an action with the aim of investing. High and low investment interest can be obtained from high and low motivation that comes from within oneself and from the surrounding environment, the higher the level of investment motivation that a person has, the higher the interest in investing will also grow in him. Likewise with investment knowledge, the higher investment knowledge will make someone more interested in investing. Basic knowledge of investment is important for people who want to invest. With qualified investment knowledge, people can find the most profitable investments, avoid fraudulent investment practices and risk of loss. Therefore investment knowledge is quite important for the community as potential investors. Basic knowledge of investment is important for people who want to invest. With qualified investment knowledge, people can find the most profitable investments, avoid fraudulent investment practices and risk of loss. Therefore investment knowledge is quite important for the community as potential investors. Basic knowledge of investment is important for people who want to invest. With qualified investment knowledge, people can find the most profitable investments, avoid fraudulent investment practices and risk of loss. Therefore investment knowledge is quite important for the community as potential investors.

## 5. Conclusion

1. Public interest in investing in the capital market is influenced by investment motivation and investment knowledge. For this, the capital market, the Indonesian Stock Exchange or investment institutions and the like, are expected to be able to provide an information-intensive social community forum so that they are able to always provide information and understanding on how to invest in the future which will ultimately encourage people to want to invest in the Indonesia Stock Exchange. .
2. For the government, it is hoped that it will serve as material for reviewing government programs related to investment interest, so that investment motivation and investment knowledge can increase higher investment interest.
3. For further research, it is hoped that it can expand the population so that it can produce more samples, so that research can produce better results. In addition, it is recommended to add variables so that they can represent all variables.

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