The Effect of Financial Literation and Demographic Factor on Investment Decision Mediated by Over-Confidence

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ABSTRACT: This research aims to examine the influence of financial literation and demographic factors on investment decision of government officers in Jabodetabek. The study also tests the role of overconfident as a mediating variable in this relationship. Data collection uses a simple random sampling method using a questionnaire via an online survey to 194 respondents. Data analysis was carried out using the Structural Equation Modelling (SEM) technique with the help of the Partial Least Square (PLS) analysis tool. The results of this research show that financial literation has positive significant effect direct and indirectly on investment decision. Contrary, demographic factor does not have direct and indirect effect significantly. This study provides evidence and valuable insight on how government officers make their investment decision. The novelty of this study is that demographic factor does not affect significantly on investment decision thru overconfident. By understanding government officer profile, this study suggests to make a clear regulation to encourage investment decision as its benefit to their financial management to be and as the vital instrument to Indonesian economic growth.

KEYWORDS: Financial Literation, Investment Decision and Demographic Factors

I. INTRODUCTION

Indonesia's domestic investment ratio remains low compare to foreign investment, 44% against 56% (KOMINFO, 2022) contrary to its contribution to new job opening at 60.1% against 39.9%. The Indonesian Financial Services Authority (OJK) stated that investments might improve the population's production capacity, provide added value and employment prospects while also giving significant advantages to well-being and helping to the expansion of the financial services sector. Rather than exports, investment is a significant driver of economic growth. As in Indonesia, investment rate become the instrument country's economic growth. Until today, Indonesian economic growth is driven by domestic expenditure, as seen by GDP figures of 54.42 percent in 2021, rising to 57.65 percent by 2020 and 51.47 percent in the second quarter of 2022 (BPS, 2022). This fact shall be investigated to overcome the challenge in increasing domestic investment ratio in order to push the pace of Indonesian economic growth getting better and faster.

Investment motivations are often influenced by the community's financial literacy. Increasing the investment ratio presents its own set of obstacles. Several factors influence a person's decision to make an investment, including financial understanding, income, and investment experience. The greater a person's awareness of money, the better their ability to manage their finances in the future by anticipating and accepting risks (Nababan & Sadalia, 2013). One such chance comes from government personnel (ASN). They have a better stability of income than those from private employees. More than that, a large number of ASNs become its own potential to increase the investment rate in helping national economic development. It is reported that now the number of ASN has reached at 4.3 million officers (BKN, 2023). Means, some of the sources of revenue received by ASN are those that enable ASN to play a role in improving the national economy by making investments. The active role of ASN and his family as investors will be able to sustain ASN's own well-being. Through investments, ASN can enjoy the full-time financial management results better, because investments yield the benefits for them as investors.

As described earlier, investment decision mostly affected by financial literation. Some researchers reported that investment decisions are influenced rationally or irrationally, depending on the information obtained. Hilgert et al. (2003) reported, someone

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with good financial literacy has more control in determining a varied investment because they have a lot of financial information, such as knowing the range of interest rates and market conditions, understanding how their credit risk profile and personal situation fit interest rates and determining which investment is best for them. According to Lusardi (2008), a person's reading level influences smart financial planning. Rikziana and Kartini (2017) concluded in their research that financial literacy is a factor that influences a person's investment decision making. The same study reported as well by Herawati and the Goddess (2020), they discovered that a person's interest in making investments is influenced by his financial literacy. Furthermore, according to the Vido and Nadia (2019) study, financial literacy influences investment decisions. It's because investors are aware of their own experiences and the information they get. This is supported by Rooij et al. (2011), who found that persons with little financial literacy are more hesitant to make investments, even if they invest normally based on brief excitement. Financial judgments based on planning and consistent knowledge reduce decision-making risk. This implies that the higher one's level of financial literacy, the better one is at making investing judgments.

However, different evidence found reported by Pendo (2021). His study revealed that financial literacy has no significant effect on investing decisions. This means that investors are not always reasonable when making investment decisions since they lack adequate investment knowledge and abilities. His finding supported by Hamzah (2019), that financial literacy has no substantial influence on investment decisions. The same evidence found by Hala et al. (2020), she reported that financial literacy has no effect on investing decisions. According to Nurhayadi (2021), financial literacy has no substantial influence on investment inclinations. Further than that, Rasuma Putri & Rahyuda (2017) reported that there are differences between men and women in making investment decisions, women are more cautious in making investments, women prefer to use their money to save or invest in things with low risk levels. This report was supported by Violeta and Linawati (2019), who said that men tend to focus more on the goals and results of their investments, so in making investment decisions they tend to be more confident when compared to women. Despite demographic factors stated above, Fridana and Nadia (2020) reported that overconfidence has a positive influence on investment decisions. Pradhana (2018), Pradikasari and Isbanah (2018); Ariefin and Darmawan (2020); Devi and Krisnawati (2020) also mentioned similar things where overconfidence has a positive influence on a person's investment decisions. Their study was contradicted with Rakhmatulloh and Asandimitra (2019). They found that overconfidence has no influence on investment decisions. It is supported by Wulandari and Iramani (2014) stating that overconfidence has no significant effect on investment decision-making.

This research aims to investigate the extent of the influence of financial literacy (FL) and demographic factor (DF) on overconfidence (OV) and investment decision (ID). The originality of the study is about the influence of FL, FD and OV on ID among Jabodetabek's ASN officer. Apart from that, this research also examines the biggest direct and indirect effect between FL & FD on on ID mediated by OV.

II. LITERATURE REVIEW
Financial Literacy

Financial literacy, according to Chen and Volpe (1998), is the ability to handle finances in order to live wealthier life in the future. Financial literacy, as defined by the Financial Services Authority Regulations, No. 76/POJK.07/2016, is knowledge, skills, and beliefs that impact attitudes and behaviors to improve the quality of decision-making and financial management to achieve well-being. The OJK categorizes Indonesians' level of financial literacy into four categories: 1) individuals who are well-literate have knowledge and belief in a financial service entity or financial product, including benefits and hazards, as well as rights and obligations that he has on financial products and services, and are skillful in the use of financial services and products sharing. Literacy is an asset; 2) sufficient Literate, is a person who has sufficient understanding and trust in financial services firms or products and their benefits, such as benefits, dangers, and rights and duties. 3) a person who is less literate, merely knows about financial services, financial products, or financial services.

The importance of financial literacy has gained place on the agenda of public managers, government agencies and other organizations (Lusardi & Mitchell, 2008). Some studies conceptualize and operate financial literacy as synonymous with actual financial knowledge, while others embrace multidimensional perspectives that typically involve knowledge of finance, attitudes, and behavior. Financial literacy should reflect the ability of people to understand financial information and use it skillfully and confidently and should be well understood as a combination of knowledge, attitude and behavior. (OECD, 2016).

Demografi

Demography is the science that studies the characteristics, attitudes and behavior of a person influenced by several factors such as gender, age, education, and income (Robb and Sharpe, 2009 in Putri dan Hamidi, 2019). Arti & Sunita (2011) conducted research on the differences in investment decisions between men and women. As a result, male investors are more conscious of investing,

female investors less confident in making investment decisions, so their satisfaction rates are also low, women investors more cautious in making stock investing decisions, especially if the investment funds available are few. According to Hurlock (2011), age is the age of an individual counted from birth to birthday. The older you are, the more mature you are and the more powerful you are in your thinking and in your working, and the older you grow, the greater your understanding and your thinking will be, so that you will gain more knowledge. The more knowledge is acquired, the more confident one is about the decisions he chooses, including the decisions in investment decisions.

The third element of demographic is education. Sikula in Mangkunegara (2016) define education as a long-term process involving systematic and organized steps in which one learns conceptual and theoretical knowledge for general purpose. Refer to the Indonesian constitution, formal education generally consists of: basic education, secondary education, and higher education (UU No. 20/2003). With adequate formal education, one will be easier to understand and understand the types and risks of investment products and can be wiser in placing money on certain assets. Someone with a higher education will be more careful in choosing the type of investment by considering the steps to be taken. In the dictionary of Indonesian, income is the result of work. According to Dea (2017) in Putri & Hamidi (2019) income is the result obtained on the sacrifice made by a person to meet his needs.

Overconfidence

From Kansal and Seema (2017), overconfidence is defined as feeling too confident in one's abilities and knowledge when investing. This behavior basically has a negative impact on investment decisions, as it is irrational behaviour that makes investors exaggerate their knowledge and skills without thinking about the risks to be taken. Overconfidence investors usually hold portfolios that are not well diversified so they tend to accept risks that exceed tolerance levels. (Ady, 2015:150-151). According to Budiarto & Susanti (2017) overconfidence can be measured by the statement: 1) accuracy of investment selection, 2) trust in your own abilities, 3) trust in the knowledge that you have and, 4) the thing behind a person's overconfidence in investing is their belief in his ability to analyze stocks so that he ignores the risks he or she has acquired or will experience. An overconfidence investor considers himself to have better expertise than any other investor. (Khan, et al., 2016). The reason for the investor's overconfidence is that the information obtained can be used well because it has accurate analysis, but it is an illusion of knowledge and ability due to lack of experience and limitations in understanding information (Baker dan Nofsinger, 2002). Choosing an investment object influenced by excessive self-confidence can lead a person to the conclusion that his decision is the best. (Pradana, 2018). According to Pompian (2006), high self-confidence increases the likelihood of making mistakes in decision-making. High self-esteem is defined as a belief or ability that is perceived to have superiority over the abilities of others.

Investment Decision

Investment Decision Investment according to KBBI (Kamus Besar Bahasa Indonesia) is the planting of money in a company or project for the purpose of gaining profit. According to Tandelilin (2001), an investment is a commitment on a number of funds or other resources made at the moment with the aim of obtaining some profits in the future. So an investment decision can be understood as an action taken by an individual to determine a choice of two or more alternatives following various identification processes until the conclusion is formed that the decision to invest. According to Tandelilin (2010:8) there are several reasons why someone makes an investment, among others: 1) to get a more dignified life in the future, 2) reducing inflationary pressures, 3) iImpulsion to save taxes as to the basis of investment decision consists of: Return, Risk and Time factor Tandeliline (2010:9).

III. METHODOLOGY

This research is quantitative involving 194 respondents as samples. A sample of 194 respondents was selected representing Jabodetabek's government officers and the data collected will be analyzed using Structural Equation Modelling (SEM) techniques through the Partial Least Square (PLS) application. We developed 53 items of questions, the answer analyzed by using Likert Scale from 1 to 5. The research variable consists of: Investment Decision as dependent variable, Financial Literacy and Demographic factor as independent variable and overconfidence as mediating variable.

IV. RESULTS AND DISCUSSION
RESULT

Based on the data collection, respondent profile shows at Tabel 1 as below:

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Table 1. Respondents Profile

Category		Characteristic	No.	%
Sex	a.	Male	104	53,6 %
	b.	Female	90	46,4 %
Age	a.	< 40 y.o.	127	65.50%
	b.	> 40 y.o	67	34,5 %
Edcuation	a.	D3/D4/S1	133	68.60%
	b.	S2/S3	61	31.40%
Income	a.	< Rp. 4.000.000,- / mth	43	22,2 %
	b.	> Rp. 4.000.000,- / mth	151	77,8 %
Type of investment	a.	Jewelry/Gold	83	16%
	b.	Saving	157	29%
	c.	Obligasi/sukuk	27	5%
	d.	Property	47	9%
	e.	Stocks	69	13%
	f.	Reksadana	75	14%
	g.	Deposito	76	14%
	h.	P2P	1	<1%
Area	a.	Jakarta	111	57,2 %
	b.	Bogor	20	10,3 %
	c.	Depok	20	10,3 %
	d.	Tangerang	22	11,3 %
	e.	Bekasi	21	10,9 %
Level	a.	III	156	80,4 %
	b.	IV	38	19,6 %

The above Tabel 1 shows that male investors are more interested in investing because men think more logically in making riskbased investment decisions. This pattern reflects gender-related characteristics and preferences in investment decision-making. Some studies suggest that male investors tend to have a higher interest in risk and are more focused on logical and analytical investment strategies.

Table 2. Literation Level

(%)	Level	No.
0 – 24	*No Literate*	1
25 – 49	*Less Literate*	3
50 – 75	*Sufficient Literate*	22
76 – 100	*Well Literate*	168
Total		194

This shows that ASNs in Jabodetabek have knowledge and confidence about investment, whether it relates to products that are included in investment, benefits and risks and have skills in investing.

Table 3. Loading factor

Variable	Indicator	Loading Factor	Result
Factor Demografi	U	0,924	Valid
	PT	0,751	Valid

Financial Literacy	FK	0,854	Valid
	FA	0,923	Valid
	FB	0,912	Valid
	KDPI	0,914	Valid
Overconfidence	PPID	0,925	Valid
	PKDS	0,936	Valid
	RE	0,901	Valid
InvestmenDecision	RI	0,897	Valid
	TI	0,909	Valid

Based on the initial model of Figure 4 and Table 10, there are 13 indicators that reflect the four variables. The result of recalculated against the original model shall be done for the item less than 0.5. In this study there are indicators that have a loading factor value less than 0.5 i.e. on the gender indicator (UK) with a load factor of -0.588, and the income indicators (PE) with the load faktor of 0.215 so that such indicators should be removed. However, the rest of indicators item has fulfilled the minimum value of 0.5 and the result is valid.

Age (U) has the greatest load factor value of 0.924. This indicates that age has a significant influence on ASN investment decisions in the Jabodetabek region. High loading factors in age indicate that the older a person is, the greater the impact on investment decisions. Education also has a fairly high load factor, which is 0.647. Although not as old as age, education still plays an important role in influencing ASN investment decisions in the Jabodetabek region. Significant loading factor values indicate that the level of education contributes positively to investment decisions and ASNs with higher educational levels tend to make better investment decisions.

Table 4. Cross loading

Indicator	Demographic Factor (DF)	Financial Literacy (FL)	Investment Decision (ID)	Overconfidence (OV)
FA	0,013	**0,923**	0,652	0,580
FB	-0,001	**0,912**	0,706	0,761
FK	0,035	**0,854**	0,665	0,582
KDPI	0,097	0,726	0,729	**0,914**
PKDS	0,130	0,652	0,706	**0,936**
PPID	0,117	0,621	0,728	**0,925**
PT	**0,751**	-0,004	0,117	0,040
RE	0,106	0,623	**0,901**	0,703
RI	0,151	0,690	**0,897**	0,630
TI	0,155	0,722	**0,909**	0,770
U	**0,924**	0,025	0,140	0,145

Based on Table 4, it can be seen that some load factor values for each indicator of each latent variable already have the largest load factor value compared to the other load factor variables. This means that each latent variable already has a good discriminant validity whereas the latente variable has a meter that is highly correlated with other constructs.

Table 5. Validity & Reliability Test Result

Variabel	Uji Validitas		Uji Reliabilitas
	AVE (>0,5)	Cronbach's Alpha (>0,6)	Composite Reliability (>0,7)
Faktor demografi (FD)	0.709	0.613	0.828
Financial Literacy (FL)	0.805	0.878	0.925
Overconfidence (OV)	0.814	0.886	0.929

Investment Decision (ID)	0.855	0.916	0.947

Based on Table 5, shows that the measuring instruments used to measure each variable and indicator in the research have a good level of validity and reliability.

Table 6. R-Square Test Result

	R Square	Criteria
Investment Decision (ID)	0.691	Strong
Overconfidence (OV)	0.534	Moderate

Based on Table 6, the value of the determination coefficient of the investment decision variable (ID) is at 0.691 shows the accuracy of the prediction of the exogenous variable against the endogenic variable in the high category. It shows that 69.1% of the variable variance of the investment decision variables (IDs) can be explained by the variant forming investment decision, the remaining 32.9% are influenced by other factors not studied in this study. Whereas the endogen variable overconfidence (OV) belongs to the moderate category with the R-square value of 0.534. It can be concluded that 53.4% of variables can be described by the variables forming overconfidence (OV), and the remainder of 46.6% is affected by factors other than the study.

Table 7 Predictive Relevance (Q^2) Result

Variabel	SSO	SSE	Q^2(=1-SSE/SSO)
Overconfidence (OV)	582.000	319.420	0.451
Investmen Decision (ID)	582.000	266.086	0.543

The above result means that this research has a good predictive relevance. For the overconfidence variable, the value of Q2 is obtained by calculating the sum of squares overall (SSO) of 582,000 and the Sum of Squares Error (SSE) of 319,420. Using the formula Q2 = 1 -(SSE/SSO), the value for Q2 of 0.451. It shows that the model is able to explain about 45.1% variability in the overconfidence variable, which indicates a relatively high level of prediction. Meanwhile, for the investment decision variable (Investment Decision), the value of Q2 is calculated with SSO of 582,000 and SSE of 266.086. Using the formula Q2 = 1 - (SSE/SSO), a Q2 value of 0.543 is obtained. These results show that the model has better predictive capabilities for investment decisions, with the ability to explain about 54.3% of variability in the variable. These two significant Q2 values indicate that the regression model used in the research has a strong predictive power in relation to overconfidence variables and ASN investment decisions.

Table 8 Hypothesis Result

Jalur Hipotesis	Original Sample (O)	T-Stat	P-Values	Hipotesis
H_1 : FL -> ID	0.411	4.826	0.000	H_0 rejected
H_2 : FD-> ID	0.088	1.645	0.101	H_0 accepted
H_3 : FL -> OV	0.720	13.033	0.000	H_0 rejected
H_4 : FD -> OV	0.112	1.706	0.089	H_0 accepted
H_5 : OV -> ID	0.472	5.752	0.000	H_0 rejected
H_6 : FL -> OV -> ID	0.340	5.433	0.000	H_0 rejected
H_7 : FD -> OV -> ID	0.053	1.609	0.108	H_0 accepted

The T-value shows a significant result of 4.826 > 1.96 with a p-values of 0,000 < 0.05 and is stated to have a positive influence of 0.411 shown by the sample's original value. Any change in financial literacy has an impact of 41.1% in improving investment decisions. Based on the results of the test, H_0 is rejected. The regression coefficient value for the Demographic Factor of 0.088 indicates a positive direction, but the statistical T-value of 1.645 is below the critical value of 1.96 at the level of significance of 0.05. This indicates that the statistic T value is not high enough to indicate that the relationship between the demographic factor and investment decision is statistically significant. The p-value of 0.101, which is greater than the significance of 0.05, indicates that there is insufficient statistical evidence to reject the zero hypothesis that Demographic Factors have no significant influence on Investment Decision. Therefore, it can be concluded that demographic factors do not contribute significantly to the variability in investment decisions of ASN in Jabodetabek. Based on the test results, H_0 is accepted. The results of the hypothesis test

showed that Financial Literacy had a positive influence of 0.720 shown by the sample's original value on overconfidence, the statistical T-value of 13.033 > 1.96 and the p-values of 0,000 < 0.05 showed significant results.

Based on the results of the test, H0 is rejected. The regression coefficient value for the Demographic Factor (FD) versus Overconfidence (OV) is 0.112, indicating a positive direction in its influence, which corresponds to the expectations of H4. However, the statistical T-value of 1.706 is below the critical value of 1.96 at the significance level of 0.05. Furthermore, the PValue value obtained by 0.089 is greater than the significant level of 0.5. This result implies that there is insufficient statistical evidence to support the hypothesis that the demographic factor (FD) has a significant positive influence on the level of Overconfidence (OV) among ASNs in Jabodetabek. Therefore, statistically, the relationship between demographic factors and overconfidence levels is not significant. Based on the test results, H0 is accepted. The statistical T value shows a significant result of 5.752 > 1.96 with a p-value of 0,000 < 0.05 and is stated to have a positive influence of 0.472 shown by the original sample value. Any change in Overconfidence has an impact of 47.2% in improving investment decisions. Overconfidence plays an important role in shaping ASN investment decisions. Therefore, policymakers and financial practitioners need to pay attention to the psychological impact of overconfidence in designing financial literacy strategies and intervention approaches to enhance investment decisions in ASN. A better understanding of this relationship can contribute to increasing the effectiveness of ASN financial development efforts in the Jabodetabek region. Based on the results of the test, H0 is rejected. Based on the results of analysis in Table 15, the result was that the influence of financial literacy on investment decisions through overconfidence, obtained p value of 0,000 with T statistics of 5.433 with an indirect positive path coefficient of 0, 340 by because of the p value acquired < 0,05 and T statistical > 1,96 then it was concluded that financial Literacy can have a significant influence indirectly on investment decision by mediating by overconfidence. So H0 was rejected. Based upon the results the analysis of the hypothesis, the result that the impact of the demographic factor on the investment decision through overconfidence, obtaining a p value value of 0.108 with the T statistic of 1.609 with the indirect negative lead factor of 0.053 by reason of the value of p value achieved > 0.05 and T < 1.96 then the conclusion was that demographic factors can have no indirect influence upon investment decisions with mediation by overconfidence. Therefor H0 is accepted.

DISCUSSION

The effect of Financial Literacy (FL) on Investment Decision (ID)

Financial Literacy that covers financial knowledge, financial attitudes, and financial behavior has proven to reflect its latent variables. Where, financial attitude plays an important role in making investment decisions as it influences individual behavior towards savings, loans, and risk-taking. (Rahardjo, 2023). According to Mufida, et. al. (2018), the choice of type of investment carried out by the PNS (Civil State Officer) is positively influenced by financial literacy consisting of financial knowledge, financial attitudes, and behavior. The better the financial attitude of an ASN, the better the attitude in managing its finances, including in making investment decisions. This research was supported by Safryani, et. al., (2020) in his research on financial literacy, financial behavior, and income against investment decisions by a permanent lecturer at the Faculty of Economics and Business of the veteran national development university of Jakarta, who mentioned that financial literature has an influence on investment decisions. In addition, research conducted by Khairiyati and Astrie (2019) also agreed that financial literacy has a significant influence on investment decisions in the people of Bandung.

The effect of Demographic Factors (DF) on Investment Decision (ID)

This finding explains that in this study demographic factors cannot predict related investment decisions of ASN in Jabodetabek. It is similar to a study conducted by Nggadas and Ica (2023) that demographic factors consisting of gender, age, educational background, income level, marital status and profession have no influence on investment decisions. Putra and Cipta (2022) also agreed in their research that demographic factors consisting of gender and income have no influence on investment decisions on employees of the credit institution of the village of Gerokgak. The findings are in line with research by Marc (2014), that overconfidence is linked to the belief that a financial advisor will benefit in the expected direction. Over-confident investors rate their investment skills, knowledge, and information higher than financial advisers. In addition, research conducted by Porto, and Jing (2016) found that about ten percent of respondents showed overconfidence in their financial literacy. These overconfidence consumers tend not to seek the kind of financial advice that is usually associated with asset building such as investment advice, but are more likely to seek advice related to financial difficulties such as debt counseling. These results are consistent with research by Alrabadi et al. (2011) and Zaidi and Tauni (2012) stating that the demographic factors represented by gender do not affect overconfidence behavior of investors because in receiving information about the capital markets regardless of whether they are male or female. The research was supported by Bashir, Safia, Irum, Waqas and Ghullam (2013) in their research that mentioned that the demographic factors represented by age did not affect the level of investor overconfidence.

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The Effect of Financial Literacy (FL) on Overconfidence (OV)

Hypothesis test results show that Financial Literacy has a positive influence on overconfidence. These results are in line with research conducted by Marc (2014), that overconfidence is related to belief in the benefits of financial advisors in the expected direction. Overconfident investors rate their investment skills, knowledge and information more highly compared to financial advisors. Apart from that, research conducted by Porto and Jing (2016) found that around ten percent of respondents showed overconfidence in their financial literacy. These overconfident consumers tend not to seek the type of financial advice usually associated with asset building such as investment advice, but are more likely to ask for advice related to financial difficulties such as debt counseling.

The Effect of Demographic Factors (DF) on Overconfidence (OV)

The hypothesis results imply that there is not enough statistical evidence to support that Demographic Factors (FD) have a significant positive effect on the level of Overconfidence (OV) among ASN in Jabodetabek. Therefore, statistically, the relationship between Demographic Factors and the level of Overconfidence is not significant. These results are in accordance with research by Alrabadi et.al. (2011) and Zaidi and Tauni (2012) stated that demographic factors represented by gender do not influence investors' overconfident behavior because receiving information about the capital market does not depend on whether they are male or female. This research is supported by Bashir, Safia, Irum, Waqas, and Ghullam, (2013) in their research which states that demographic factors represented by age do not influence the level of investor overconfidence.

The Effect of Overconfidence (OV) on Investment Decision (ID)

Overconfidence plays an important role in shaping ASN investment decisions. Therefore, policy makers and financial practitioners need to pay attention to the psychological impact of overconfidence in designing financial literacy strategies and intervention approaches to improve ASN investment decisions. A better understanding of this relationship can contribute to increasing the effectiveness of ASN financial development efforts in the Jabodetabek area. These findings are in line with research conducted by Wahyuni and Nugroho (2021) which states that overconfidence has an influence on investment decisions. The findings are consistent with a study conducted by Wahyuni and Nugroho (2021) that states that overconfidence has an influence on investment decisions.

The effect of Financial Literacy (FL) on Investment Decisions (ID) mediated by Overconfidence (OV)

The sixth hypothesis is accepted and stated that overconfidence can mediate the influences of financial literacy on investment decisions positively. Theory of Planned Behavior by Ajzen (1991) reveals that the desire to behave is determined by the availability of competence. The findings are in line with the Humairo study (2020), which found the indirect influence of financial literacy on investment decisions through overconfidence. Financial literacy can influence investment decisions amongst the Civil State Apparatus (ASN) through the influence of overconfidence. Too much confidence can affect risk perception and tolerance, which in turn can affect investment decisions (Iram, et. al. 2023). Individuals with higher financial literacy may take lower risks and be more willing to take risks in their investment decisions. Therefore, too much confidence can lead to poor investment decisions and a lack of seeking professional financial advice, increased investment activity, and changes in risk perception and tolerance. Understanding the relationship between financial literacy and overconfidence can help ASNs make better investment decisions and improve their overall financial well-being

The effect of Demographic Factors (DF) on Investment Decisions (ID) mediated by Overconfidence (OV)

Indirectly, demographic characteristics cannot influence investment decisions through overconfidence because age or gender differences between ASNs do not affect overconfidence in ASN, which in the end does not differ in the outcome of investment decisions. The findings are in line with a study by Humairo (2020); Metawa et al. (2018) which found that overconfidence is unable to mediate the influence of demographic characteristics on investment decisions.

V. CONLUSIONS AND MANAGERIAL IMPLICATION

Conclusions

Based on the results of this research it can be concluded that the financial literacy rate of ASN Jabodetabek is divided into two categories, namely 11% of the ASN in Jabodetsabek belongs to Sufficient Literate and 87% of the AASN in the Jabodetabek belong to Well Literate. Financial literacy has a positive and important influence on investment decisions. Then overconfidence has a direct influence, has a reliable statistical interest or impact and not just coincidence on investment decisions, and is able to mediate the influence of Financial literacy on investment decision.

The importance of understanding and mapping the level of ASN financial literacy into this category gives a clear picture of the extent to which ASN's financial understanding and skills in the region. Although some ASNs show an adequate level of financial literacy, there is still potential to improve financial literature among ASN. By knowing the financial literation profile of this ASN, steps can be taken to develop a more focused financial literate program and in accordance with the specific needs of ASN in the Jabodetabek region. Thus, efforts to improve financial literacy can be more effective and can have a positive impact on ASN financial and investment decisions.

Managerial Implications

According to research, overconfidence has an influence on ASN investment decisions in Jabodetabek. Over-confident ASNs tend to invest in a hurry because they believe they have more knowledge about investing. Therefore, it is best for ASN to diversify its investment, make a mature investment plan, and train patience and suppress ego when investing. Based on the results of the research, the managerial implications that can be offered in particular to the state's civilian apparatus (ASN) in the Jabodetabek region are by developing an understanding of related investment products so that the future of investments is more diverse, not just having savings as an investment asset. This can be done by collaborating with relevant agencies, such as OJK in providing a comprehensive understanding of the shortcomings and advantages of any investment product available in Indonesia. In addition, ASN can create a forum group discussion (FGD) that focuses on exchanging opinions, suggestions or other information so that they can avoid the bias of overconfidence. So that mistakes in investing can be minimized. In addition, ASNs need to understand what a priority scale means. By knowing the scale of priority, they will be able to set their own investment strategy according to their needs.

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