ABSTRACT

This study analyzes the relationship between financial literacy and demographics on investment behavior biases among young investors in Bandung. In the digital era, awareness of the importance of investing has increased, but the investment decisions of young generations are often significantly influenced by biases. Using a quantitative method with multiple linear regression, data were collected from 400 respondents to examine the relationship between financial literacy, demographics, and investment behavior biases.

The results show that good financial literacy can reduce behavioral biases in investment decision-making. Additionally, demographic factors such as age, education, and income also significantly influence these biases. This study highlights the importance of enhancing financial literacy and considering demographic factors to reduce behavioral biases among young investors.

These findings are valuable for stakeholders, such as regulators and financial educators, in developing more effective financial education programs and designing strategies to improve financial literacy among the younger generation. Furthermore, the study provides recommendations for young investors to continually improve their financial knowledge and consider demographic factors in their investment decision-making process to minimize behavioral biases.

Keywords*: Financial Literacy, Demographics, Behavioral Biases, Young Investors, Multiple Linear Regression*