

THE INFLUENCE OF FINANCIAL LITERACY AND FINANCIAL BEHAVIOR OF FEB UNJ STUDENTS ON CRYPTO INVESTMENT DECISIONS

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Article Info	Abstract
<i>Article history:</i> <i>Received: 16 December 2025;</i> <i>Accepted: 22 December 2025;</i> <i>Published: 29 December 2025</i> <i>Keyword:</i> <i>Financial Literacy, Financial Behavior,</i> <i>Investment Motivation, Crypto Investment</i> <i>Decision</i>	Objective: This study seeks to examine the effects of Financial Literacy and Financial Behavior on Crypto Investment Decisions in students UNJ Faculty of Economics and Business (FEB), with Investment Motivation as the mediator. Based on the quantitative method, a total of 102 received for this study and analyzed by using SEM-PLS. The results indicate that Financial Literacy and Financial Behavior have a positive and significant influence on Investment Motivation, in turn, it influences Investment Decisions. Crucially, mediation analysis demonstrates that Investment Motivation mediates the path from Financial Literacy to decisions but fails to mediate Financial Behavior. Instead, Financial Behavior exerts a strong direct influence on decisions. It is concluded that while knowledge requires a motivational bridge to translate into action, financial discipline acts as a direct enabler. These findings imply that financial education should integrate rational motivational strategies with practical habit formation to mitigate investment risks.

1. INTRODUCTION

The rapid advancement of financial technology (fintech) has fundamentally transformed the global economic landscape, shifting investment paradigms from traditional centralized mechanisms to decentralized digital asset ecosystems. Cryptocurrency has emerged as a disruptive financial instrument, offering borderless accessibility but accompanied by extreme volatility. In the context of Indonesia, the adoption of crypto assets has shown explosive growth. Data from the Commodity Futures Trading Regulatory Agency (Bappebti) reveals that as of late 2024 and entering 2025, the number of registered crypto investors in Indonesia has surpassed 19 to 21 million users, with transaction values growing significantly to reach over Rp500 trillion. This figure indicates a massive shift in preference, where the number of crypto investors has now exceeded those in the traditional capital market, signaling a profound change in investment behavior, particularly among the younger generation. Bappebti reports consistently show that approximately 60% to 75% of crypto investors fall within the 18 to 35 age range, which encompasses the student demographic.

Students, particularly those from the Faculty of Economics and Business (FEB) at Universitas Negeri Jakarta (UNJ), represent a unique population in this ecosystem. Theoretically, due to their exposure to formal curricula on economics, accounting, and management, they are assumed to possess a higher level of Financial Literacy (X1). Ideally, high literacy enables students to analyze fundamental values, understand risks, and avoid speculative traps. However, empirical phenomena reveal a concerning "Knowledge-Action Gap." Despite their academic background, recent observations suggest that high financial literacy does not automatically translate into rational investment decisions in highly speculative markets like crypto. While the 2024 National Survey on Financial Literacy and Inclusion (SNLIK) shows improving inclusion, the disconnect between understanding risks and the actual decision to invest in high-risk assets presents a theoretical tension. Some individuals with high literacy avoid crypto due to

risk aversion (Balutel et al., 2022), while others with partial knowledge fall into "overconfidence" driven by market trends.

To resolve this inconsistency, this study identifies a critical oversight in previous models and proposes Investment Motivation (Y) as a necessary intervening mechanism. This study argues that literacy acts merely as a cognitive capability, which requires a specific motivational drive—whether rational or irrational—to be translated into an actual Crypto Investment Decision (Z). Without this motivation, literacy remains latent knowledge that does not trigger action.

In contrast, Financial Behavior (X2)—which encompasses daily habits such as budgeting, saving discipline, and impulse control—is posited to operate differently. Unlike literacy, sound financial behavior provides the material foundation (liquidity or "idle money"), which may directly enable investment execution without requiring complex motivational processing. However, the prevalence of the "YOLO" (You Only Live Once) lifestyle among Gen Z often distorts this behavior. By explicitly contrasting these pathways—where literacy requires a motivational bridge while behavior may act as a direct enabler—this study strengthens the logical foundation of the proposed model, offering a more comprehensive explanation of student investment decisions.

Consequently, this research addresses a significant gap by explaining why literate students participate in speculative markets and determining the precise role of motivation. Furthermore, this study is timely as it is conducted during the critical transition of crypto asset supervision to the OJK in 2025. Based on these factors, the purpose of this study is to empirically examine and demonstrate the effect of Financial Literacy and Financial Behavior on Crypto Investment Decision, which is mediated by Investment Motivation in FEB UNJ students.

2. LITERATURE REVIEW

2.1 Theoretical and Conceptual Background

The research brought together the two complementary theoretical approaches of the Theory of Planned Behavior (TPB) and Behavioral Finance to build a holistic grounding for studying student investment behavior.

2.1.1 Theory of Planned Behavior (TPB)

The primary framework employed is the Theory of Planned Behavior. While originally introduced by Ajzen (1991), this theory remains the dominant framework in recent financial studies, as demonstrated by Putri & Wicaksono (2023) and Sari & Nugroho (2023). TPB postulates that an individual's specific behavior (in this case, Crypto Investment Decision) is rarely impulsive but is directly driven by an intention or motivation (Investment Motivation). This intention, in turn, is shaped by the attitude toward the behavior (proxied by Financial Literacy) and perceived behavioral control (proxied by Financial Behavior). By using this framework, the study aligns with current research that positions motivation as a critical predictor of financial execution.

2.1.2 Behavioral Finance vs. Traditional Finance Assumptions

To address the unique volatility of the cryptocurrency market, this study explicitly contrasts the assumptions of Traditional Finance with the realities of Behavioral Finance. Traditional Finance assumes that investors are "rational agents" who use literacy to maximize utility. However, recent empirical studies on Gen Z investors, such as those by Adib et al. (2024) and Rahmawati & Putri (2022), argue that the cryptocurrency market is driven by "normal" rather than "rational" behavior. These studies highlight that cognitive biases, such as Fear of Missing Out (FOMO) and Herding Behavior, often override fundamental analysis in digital asset markets.

2.1.3 Theoretical Implications on Research Variables

This theoretical contrast, supported by Gunawan & Sangka (2024), provides the logical foundation for distinguishing the roles of Financial Literacy (X1) and Financial Behavior (X2):

1. Literacy as a Rational Input

Literacy represents cognitive knowledge and operates under the rational domain. Therefore, as suggested by Putri & Wicaksono (2023), it requires a psychological bridge (Investment Motivation) to translate theoretical understanding into market participation. Knowledge alone is passive; it needs a "drive" to become active.

2. Behavior as a Habitual Execution

In contrast, Financial Behavior represents habits (budgeting, saving). Consistent with Rahmawati & Putri (2022), this study posits that good financial habits provide the material foundation (liquidity) that enables investment directly. Students with "idle money" may invest as a natural allocation of surplus without necessarily passing through a complex motivational filter.

2.1.4 Crypto Investment Decision (Z)

Crypto Investment Decision refers to the cognitive process and execution actions taken by individuals to allocate financial resources into blockchain-based digital currency assets. This variable serves as the dependent variable and is the primary focus of the research. In the context of a digital asset market operating 24/7 with extreme volatility, an investment decision is not merely an act of "buying," but a complex process involving risk evaluation, information analysis, and psychological resilience.

Unlike traditional capital market investments, often based on fundamental financial statement analysis, decisions in the crypto market are frequently influenced by market sentiment, technological utility, and future price

speculation. A quality decision is characterized by rational considerations that transcend mere emotional impulses. Hartono & Dewi (2024) emphasize that good investment decisions must be based on adequate risk assessment, not merely following trends. However, the Fear of Missing Out (FOMO) phenomenon often distorts the quality of these decisions, driving young investors to enter the market without a clear exit strategy.

Crypto Investment Decision is measured using primary data obtained through a questionnaire employing a five-point Likert scale. The construct is assessed through five operational indicators reflecting the quality and process of decision-making, namely:

1. Risk Assessment: The extent to which students consider potential losses before purchasing assets.
2. Information-based Decision: The tendency to select assets based on fundamental or technical analysis, rather than rumors.
3. Return Expectation: The belief that crypto assets can provide attractive profits compared to other instruments.
4. Portfolio Monitoring: Discipline in evaluating asset performance periodically.
5. Behavioral Resilience: The ability to remain invested or make rational decisions during sharp price fluctuations (volatility).

These indicators collectively capture not only "whether" students invest, but "how" the quality of those investment decisions is established amidst market uncertainty.

2.1.5 Financial Literacy (X1)

Financial Literacy According to the OECD (2023), Financial Literacy entails the knowledge, skills, attitudes, and behaviours that are required to make sound financial decisions and ultimately maintain an individual's financial well-being. In the age of the digital economy, such a definition should be broadened to include Digital Financial Literacy that encompasses knowledge on mechanisms of crypto assets, cybersecurity, and risks of blockchain technology.

As students of the Faculty of Economics and Business, the target population is expected to be more literate in terms of basic urgency ability compared to the general population. However, financial literacy in the crypto context often presents a paradox. A study by Balutel et al. (2022) found that cryptocurrency holders often possess high technical knowledge of blockchain but lower conventional financial literacy scores, or conversely, those who are highly financially literate avoid crypto due to high-risk perceptions. Therefore, this variable highlights the cognitive ability of students to understand investment instruments before taking action.

Financial Literacy is measured using primary data via a questionnaire with a five-point Likert scale. Evaluation is conducted through five indicators covering basic and digital knowledge dimensions, namely:

1. Understanding Basic Investment Concepts: Understanding the relationship between risk and return (high risk, high return).
2. Investment Instrument Awareness: Knowing the characteristic differences between stocks, bonds, and crypto assets.
3. Financial Planning/Budgeting: The ability to create and adhere to a personal monthly budget.
4. Financial Goal Setting: Having clearly articulated long-term financial goals.
5. Financial Attitude/Engagement: Openness and a proactive desire to learn about new financial technology developments.

These indicators assess how effectively students internalize their formal economic education into a practical understanding of digital assets.

2.1.6 Financial Behavior (X2)

Financial Behavior refers to human behavior relevant to money management (Dew & Xiao, 2011). This variable reflects how individuals treat, manage, and use available financial resources in their daily lives. If literacy is "knowledge" (potential), then financial behavior is "action" (execution) in daily cash flow management.

Healthy financial behavior, such as disciplined saving and controlling expenses, acts as a foundation for investment decisions. Without good financial behavior, individuals will not possess the "idle money" necessary for high-risk investments like crypto. Research by Rahmawati and Putri (2022) found that good financial habits significantly increase investment intention in Gen Z, due to the presence of liquidity surplus seeking productive channeling. Conversely, impulsive behavior often leads to the use of emergency funds for speculation, increasing financial vulnerability.

Financial Behavior is measured using primary data from a questionnaire with a five-point Likert scale. Assessment is conducted through five indicators, namely:

1. Spending Control: Prioritizing needs over wants when shopping.
2. Financial Record Keeping: The routine of recording daily or monthly income and expenses.
3. Saving/Investment Habits: Disciplined setting aside of a portion of income before consumption.
4. Self-Control: Avoiding financial decisions influenced by momentary emotions.
5. Frugality: Restraining oneself from excessive consumptive behavior for future goals.

These indicators capture the discipline of students in managing their resources, which becomes a logical prerequisite before entering the investment market.

2.1.7 Investment Motivation (Y)

Investment Motivation—It is the cause, either inherent or extrinsic, that tends to inspire one to invest their money in investment avenues. In the proposed research framework here, Investment Motivation is a mediator variable between antecedents (Literacy and Behavior) and the final outcome (Investment Decision). Intention is the proximate determinant of behavior, and according to TPB, this motivation corresponds with Intention.

In the context of the crypto market, motivation is often polarized between rational (economic) motivation and irrational (psychological) motivation. Economic motivation includes the desire to gain capital gains and asset diversification. Meanwhile, psychological motivation is often driven by the Fear of Missing Out (FOMO) phenomenon and social influence (Herding). Adib et al. (2024) found that FOMO is a strong driver for Gen Z to enter the crypto market, often ignoring fundamental analysis. This variable is crucial because a student may have high literacy (X1) but lack the motivation (Y) to invest due to a conservative risk profile, resulting in the investment decision (Z) not occurring.

Investment Motivation is measured using primary data collected through a five-point Likert scale questionnaire. The construct is assessed through five indicators, namely:

1. Economic Motive (Profit): Investing to obtain long-term profits.
2. Security Motive: Investing for future financial security.
3. Convenience/Accessibility: Motivated by the ease of access through digital applications.
4. Social Influence (Subjective Norm): Interested in investing due to the influence of friends or community.
5. Emotional Motive (FOMO): Anxiety about being left behind by trends if not participating in crypto investment.

These indicators measure the intensity of the urge felt by students to engage in the crypto market.

2.2 Empirical Review and Hypothesis

2.2.1 Financial Literacy → Investment Motivation (H1)

One of the most important internal factors affecting the level of interest in investment is financial literacy. Based on the Theory of Planned Behavior (Ajzen, 1991), from literacy comes attitude toward behaviour, which results in increased intention to carry out a certain behaviour (motivation). Individuals who understand the concept of risk-return trade-off theoretically possess higher confidence to enter the financial market because they feel competent to manage uncertainty.

Empirical evidence supports this theoretical framework. Putri and Wicaksono (2023) found that financial literacy has a positive and significant effect on investment interest. They argue that literacy reduces psychological barriers in the form of "fear of the unknown," thereby transforming anxiety into calculated motivation. Similarly, Sari & Nugroho (2023) indicate that individuals with high literacy scores are more motivated to diversify their portfolios, including into digital assets, as a hedging strategy. Although Balutel et al. (2022) noted an anomaly where high literacy sometimes leads to crypto avoidance due to risk perception, for FEB students studying economics, literacy tends to function as an enabler that increases curiosity and professional motivation to engage in modern financial instruments.

H1: Financial Literacy has a positive and significant effect on Investment Motivation.

2.2.2 Financial Behavior → Investment Motivation (H2)

Good financial behavior, characterized by disciplined saving, budget recording, and spending control, creates financial surplus or liquidity. This surplus naturally seeks channels for growth, which then triggers the emergence of investment motivation. From a Resource-Based View perspective, individuals possessing excess resources (due to frugal behavior) have the mental and financial capacity to consider wealth growth, unlike individuals struggling with cash flow deficits, whose focus is merely on survival.

Rahmawati and Putri (2022) in their study on Gen Z found that healthy financial habits significantly encourage investment intention. Without behavioral discipline (X2), the concept of investment remains a theoretical discourse without execution capability, resulting in weak motivation. Another study by Dew & Xiao (2011) also confirms that financial management behavior is a direct precursor to wealth accumulation aspirations. Students who are able to consistently set aside their allowance will be more motivated to seek instruments that can grow those savings, including crypto, which offers high yields, compared to impulsive students.

H2: Financial Behavior has a positive and significant effect on Investment Motivation.

2.2.3 Investment Motivation → Crypto Investment Decision (H3)

In the TPB hierarchy, motivation (intention) is the strongest and most direct predictor of actual behavior (decision). If an individual has strong motivation—whether driven by rational analysis or social pressure—they are highly likely to execute the investment decision. In the volatile crypto market, this relationship is often intensified by psychological factors such as FOMO.

Adib et al. (2024) and Gunawan & Sangka (2024) empirically proved that investment motivation is a critical determinant of crypto asset purchasing decisions. They found that among young investors, motivation often becomes a "tipping point" that overrides risk perception. If motivation is high, technical barriers or market risks tend to be ignored in pursuit of potential profits. Findings by Handayani (2023) also support that investment decisions are a direct manifestation of underlying motivation; without motivation, literacy and money (behavior) will remain

dormant. Therefore, it is posited that the higher the student's investment motivation, the higher the probability and frequency of their crypto investment decision-making.

H3: Investment Motivation has a positive and significant effect on Crypto Investment Decision.

2.2.4 The Mediating Role of Investment Motivation (H4 & H5)

A significant Research Gap exists in the direct relationship between Literacy/Behavior and Decision. Several studies (e.g., Tzavaras, 2023; Handayani, 2023) found direct effects to be insignificant or inconsistent, arguing that many intelligent (literate) people do not invest, and many frugal (good behavior) people only save in conventional banks.

This study proposes that the relationship is indirect and fully mediated by Investment Motivation. Regarding the relationship Literacy (X1) → Decision (Z), literacy does not force someone to buy crypto; it only provides understanding. This understanding then fosters confidence or interest (Motivation), which ultimately leads to a Decision. Motivation acts as a psychological catalyst. Regarding the relationship between Behavior (X2) → Decision (Z), possessing savings (Behavior) does not automatically translate to crypto investment. There must be a drive (Motivation), such as the desire to pursue high returns or the fear of missing trends, which directs those savings into risky crypto assets. This mediation hypothesis is supported by findings from Sidiq & Niati (2020) and Naiborhu & Susanti (2021), which place psychological variables (such as intention/motivation) as essential bridges in financial behavior models.

H4: Investment Motivation significantly mediates the relationship between Financial Literacy and Crypto Investment Decision.

H5: Investment Motivation significantly mediates the relationship between Financial Behavior and Crypto Investment Decision.

Table 1. Hypothesis

No	Hypothesis	Statement
H1	Financial Literacy → Investment Motivation	Financial Literacy has a positive and significant effect on Investment Motivation.
H2	Financial Behavior → Investment Motivation	Financial Behavior has a positive and significant effect on Investment Motivation.
H3	Investment Motivation → Crypto Investment Decision	Investment Motivation has a positive and significant effect on crypto investment decisions.
H4	Financial Literacy → Investment Motivation → Crypto Investment Decision	Investment Motivation mediates the relationship between Financial Literacy and Crypto Investment Decision.
H5	Financial Behavior → Investment Motivation → Crypto Investment Decision	Investment Motivation mediates the relationship between Financial Behavior and Crypto Investment Decision.

Source: Authors

2.3 Conceptual Framework

Following the theoretical investigation and hypothesis development, the figure illustrates the conceptual framework of this study. The model suggests a complete mediation, underlying Financial Literacy and Financial Behavior to Investment Motivation, which in turn predicts the Crypto Investment Decision.

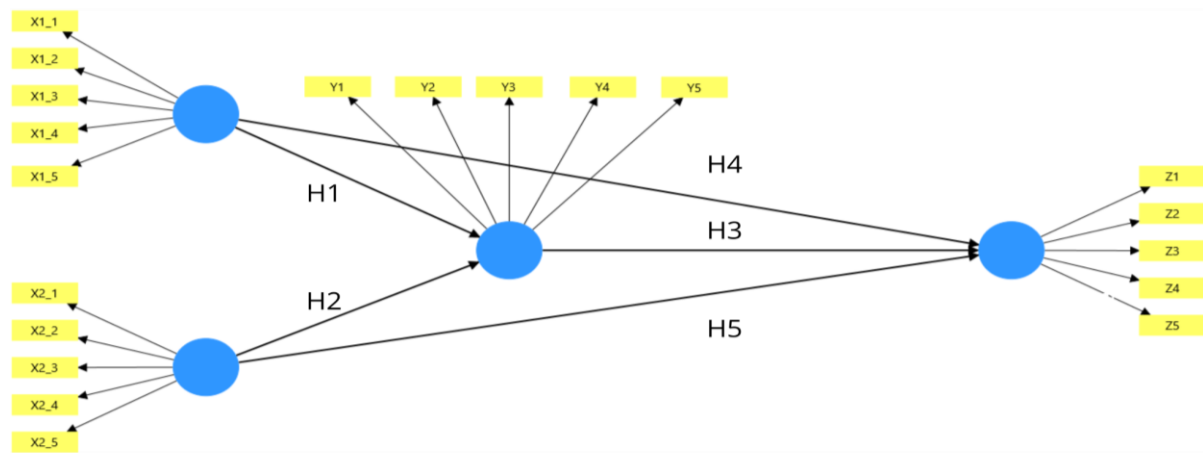


Figure 1. Relationship Diagram Between Variables

Source: Author (2025)

3. RESEARCH METHODOLOGY

3.1 Research Design

The research design for this study is a quantitative explanatory design to determine the cause-and-effect relationship between the variables. The main aim is to investigate the role of Financial Literacy (X1) and Financial Behavior (X2) on Crypto Investment Decision (Z) through a mediating variable, i.e., Investment Motivation (Y). The paper is based on a survey approach gathering cross-sectional data and testing variance-based SEM. This method was used due to its ability to handle latent variables as well as evaluate complex mediation paths (Hair et al., 2021).

3.2 Population and Sample

This study takes the active S1 students of the Faculty of Economics and Business (FEB) UNJ as a population. This sample was chosen in view of the hypothesis that economics students have life skills and financial behavior research, and investment issues. The method used in this research is non-probability sampling as purposive sampling. Respondents' inclusion criteria are: (1) Active students of FEB UNJ; (2) Knowledge about cryptocurrency or investing experience/interest; and (3) Access to digital investment platforms. Following the “10 times rule” guidance for multivariable analysis (Hair et al., 2021), a sample of 102 respondents was collected, exceeding the minimum and value necessary to have enough statistical power.

3.3 Data Collection Method

The questionnaire was disseminated through Google Forms for collecting the data. The research instrument comprises four sections representing the research variables: Financial Literacy, Financial Behavior, Investment Motivation, and Crypto Investment Decision. Each item is rated on a 5-point Likert Scale, from 1 (Strongly Disagree) to 5 (Strongly Agree). This continuum enables subtle characterization of the respondents' attitudes and perceptions toward their investment behaviors.

3.4 Data Analysis Technique

The data were analyzed based on Structural Equation Modeling with Partial Least Squares (SEM-PLS) approach through the SmartPLS software. The PLS was chosen as the analysis technique for a simultaneous estimation of the measurement (outer model) and structural models (inner model). The measurement model evaluation process is to examine the validity (convergent and discriminant) and reliability (Cronbach's Alpha and Composite Reliability) of the construct measures. As follows, we conduct the structural model by verifying our research hypotheses and focusing on the direct effect of IVs on DV, as well as the mediation through Investment Motivation (IM). We assess the importance of these path coefficients according to the recommendations of Hair et al, using bootstrapping with 5000 subsamples as a standard. (2021).

4. RESULT AND DISCUSSION

4.1 Result

4.1.1 Respondent Profile

The demographic profile of the 102 respondents in this study is predominantly characterized by students from the S1 Digital Business program, representing 61.8% of the sample, followed by smaller proportions from S1 Management (8.8%) and S1 Business Education (7.8%).

In terms of academic cohort, the respondents are largely concentrated in the Class of 2023 (71.6%), indicating that the study primarily reflects the perspectives of students in the mid-stage of their academic journey, with the Class of 2022 and Class of 2024 comprising (12.7%) and (11.8%) respectively.

Regarding financial background, more than half of the students (54.9%) operate with a monthly allowance between Rp500,000 and Rp2,000,000, while the remaining respondents are evenly distributed between those with less than Rp500,000 (22.5%) and those with more than Rp2,000,000 (22.5%).

Furthermore, the data indicates that (55.9%) of the respondents have invested or are currently investing in cryptocurrency. However, the majority are still in the early stages of market engagement, with (67.6%) reporting less than 3 months of experience, while (18.6%) have 3-6 months and (13.7%) have between 6 and 12 months of experience.

4.1.2 Measurement Model Evaluation

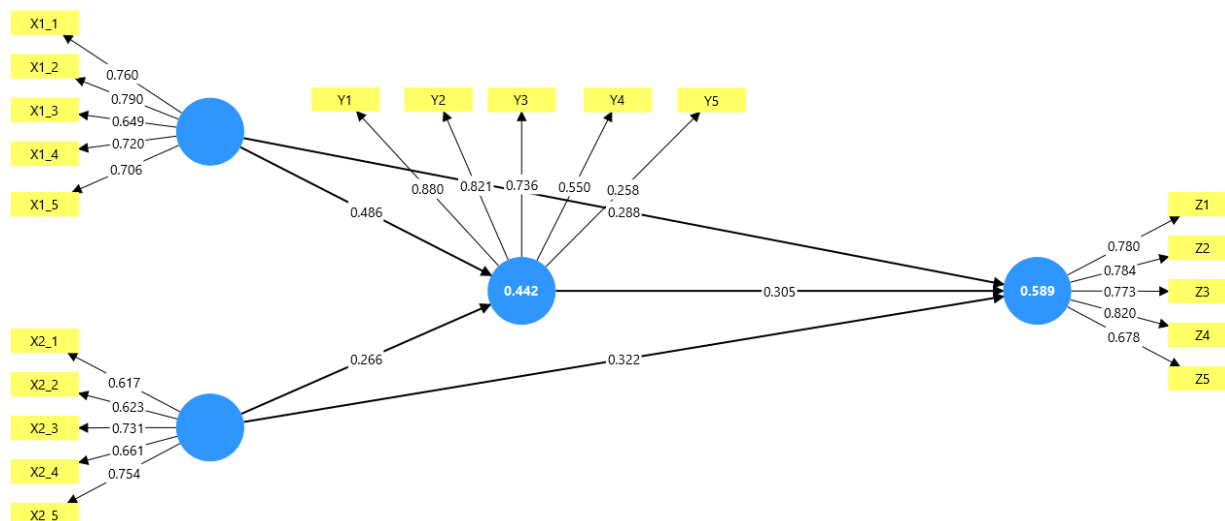


Figure 2. Outer Loading Evaluation

Source: Author (2025)

The measurement model evaluation was conducted to assess the convergent validity of the research instrument by examining the outer loading values of each indicator. According to Hair et al. (2021), while a loading of 0.70 is ideal, values above 0.50 or 0.60 are often considered acceptable in exploratory research contexts. The results from the SmartPLS analysis indicate that the indicators for Financial Literacy (X1) yielded loading values ranging from 0.649 to 0.790, demonstrating adequate representation of the construct. Similarly, the Financial Behavior (X2) indicators showed values between 0.617 and 0.754, reflecting a sufficient contribution to the measurement of daily financial habits. The Investment Motivation (Y) construct displayed a wider range of loading values, spanning from 0.258 to 0.880, which suggests varied contributions of the indicators to the latent variable. Meanwhile, the Crypto Investment Decision (Z) variable demonstrated robust validity with loading values ranging from 0.678 to 0.820. Overall, the majority of the indicators met the minimum acceptable criteria, supporting the use of this measurement model for subsequent structural equation modeling analysis.

According to the Cronbach's Alpha results, Crypto Investment Decision (Z) appeared reliable with a Cronbach's Alpha of 0.826 and rho_c of 0.878, and AVE was recorded as 0.591 from the analysis. There is also good internal consistency for Financial Literacy (X1) with a Cronbach's Alpha of 0.777 and a Composite Reliability (rho_c) of 0.848 with an AVE of 0.528. Investment Motivation (Y) had a Cronbach's Alpha of 0.721 and a Composite Reliability (rho_c) value of 0.799. Although the AVE for Investment Motivation (0.472) and Financial Behavior (X2) (0.462) were slightly below the 0.50 threshold, their Composite Reliability values (0.708 and 0.810, respectively) were well above the 0.70 requirement, indicating that the internal consistency of these constructs remains acceptable for exploratory research purposes.

The results of the analysis show that other measures are lower than their correlation coefficients to Crypto Investments Decisions, where the square root AVE (0.591) is greater than with ten variables except Investment Motivation (0.472). Similarly, Financial Literacy (0.528) exhibited a square root AVE higher than its correlation with Investment Motivation (0.472) and other constructs. The pattern was equivalent for financial behavior, with the square root of AVE (0.462) being greater than the constructs' inter-relationship. These results validate the discriminant validity of the model, which indicates all variables are empirically distinct.

Heterotrait-Monotrait Ratio (HTMT) of correlations was used to assess discriminant validity. The results show that several HTMT values exceed the commonly recommended threshold of 0.90 and even surpass 1.00, indicating very strong correlations among the constructs. The analysis shows that all HTMT ratios are below the threshold of 0.90. Specifically, the ratio between Crypto Investment Decision (Z) and Financial Behavior (X2) is 0.808, while the ratio between Financial Literacy (X1) and Crypto Investment Decision (Z) is 0.802. Furthermore, the correlation between Investment Motivation (Y) and Crypto Investment Decision (Z) is 0.783. The lowest ratio

was observed between Investment Motivation (Y) and Financial Behavior (X2) at 0.655. These findings confirm that discriminant validity has been established, meaning that each variable measures a distinct phenomenon.

Table 2. R-Squared

	R-square	R-square adjusted
Crypto Investment Decision (Z)	0.589	0.576
Investment Motivation (Y)	0.442	0.431

Source: Author (2025)

The results show that the R^2 value for Investment Motivation (Y) is 0.442, indicating that 44.2% of the variance in Investment Motivation can be explained by Financial Literacy and Financial Behavior⁸. Meanwhile, the (R^2) value for Crypto Investment Decision (Z) is 0.589, which indicates that 58.9% of the variance in students' investment decisions is influenced by Financial Literacy, Financial Behavior, and Investment Motivation. According to standard criteria, the R^2 for Investment Decision is categorized as moderate, suggesting the model has a reasonably strong predictive relevance.

Table 3. F-Squared

F Squared	(X2)	Crypto Investment Decision (Z)	Financial Literacy (X1)	Investment Motivation (Y)
(X2)		0.168		0.093
Crypto Investment Decision (Z)				
Financial Literacy (X1)		0.112		0.309
Investment Motivation (Y)		0.126		

Source: Author (2025)

The findings show that Financial Literacy (X1) has a strong influence on Investment Motivation (Y) with an (f^2) of 0.309 (medium-to-large effect), whereas Financial Behavior (X2) has a smaller effect ($f^2 = 0.093$). Regarding Crypto Investment Decision (Z), Financial Behavior (X2) shows the highest contribution with an f^2 of 0.168 (medium effect), followed by Investment Motivation (Y) ($f^2 = 0.126$) and Financial Literacy (X1) ($f^2 = 0.112$), which both show small-to-medium effects.

Table 3. Direct Effects

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
(X2) -> (Z)	0.322	0.325	0.098	3.293	0.001
(X2) -> (Y)	0.266	0.276	0.110	2.428	0.015
(X1) -> (Z)	0.288	0.285	0.110	2.614	0.009
(X1) -> (Y)	0.486	0.496	0.103	4.728	0.000
(Y) -> (Z)	0.305	0.306	0.116	2.622	0.009

Source: Author (2025)

Hypothesis testing was conducted by examining the Path Coefficients, T-Statistics, and P-Values. A relationship is significant if the P-Value is < 0.05 and the T-statistic > 1.96 .

1. Financial Behavior (X2) $\rightarrow$ Crypto Investment Decision (Z): This path shows a positive and significant effect (Coefficient = 0.322, T = 3.293, P = 0.001). Thus, Financial Behavior directly influences investment decisions.
2. Financial Behavior (X2) $\rightarrow$ Investment Motivation (Y): This relationship is significant (Coefficient = 0.266, T = 2.428, P = 0.015), confirming that behavior acts as an antecedent to motivation.
3. Financial Literacy (X1) $\rightarrow$ Crypto Investment Decision (Z): Financial Literacy has a significant direct effect on decisions (Coefficient = 0.288, T = 2.614, P = 0.009).
4. Financial Literacy (X1) $\rightarrow$ Investment Motivation (Y): This is the strongest relationship in the model (Coefficient = 0.486, T = 4.728, P = 0.000), indicating literacy is a primary driver of motivation.
5. Investment Motivation (Y) $\rightarrow$ Crypto Investment Decision (Z): Motivation significantly influences decisions (Coefficient = 0.305, T = 2.622, P = 0.009).

Table 3. Indirect Effects

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
(X2) -> (Z)	0.081	0.083	0.045	1.817	0.069
(X1) -> (Z)	0.149	0.154	0.072	2.077	0.038

Source: Author (2025)

The results indicate that Financial Literacy (X1) → Motivation (Y) → Decision (Z): The indirect effect is significant (Coefficient = 0.149, T = 2.077, P = 0.038). This confirms that Investment Motivation partially mediates the relationship between literacy and investment decisions.

Financial Behavior (X2) → Motivation (Y) → Decision (Z): The indirect effect is marginally insignificant/weak (Coefficient = 0.081, T = 1.817, P = 0.069). Since the P-value is > 0.05, this suggests that the influence of Financial Behavior on decisions is primarily direct rather than mediated by motivation in this specific model.

4.2 DISCUSSION

4.2.1 The Role of Financial Literacy in Igniting Motivation (H1)

The study empirically confirms that Financial Literacy acts as the primary engine driving student interest in cryptocurrency. The analysis reveals that students with higher financial knowledge are not just more capable, but are significantly more intrinsically motivated to participate in the market (O=0.486, P=0.000). This supports the Theory of Planned Behavior, suggesting that literacy functions as a "confidence booster." When students understand the risk-return trade-off, their fear of the unknown diminishes, transforming anxiety into a calculated drive to invest. This aligns with Putri & Wicaksono (2023), who found that literacy reduces psychological barriers, thereby increasing investment intention.

4.2.2 Financial Behavior as a Foundation for Motivation (H2)

Beyond knowledge, this study finds that daily financial habits play a crucial role in shaping motivation. The results demonstrate that disciplined behavior—such as budgeting and saving—positively influences the urge to invest (O=0.266, P=0.015). This implies that motivation is not merely a mindset but is rooted in financial capacity. Good financial behavior creates liquidity or "idle money," which naturally seeks productive channels for growth. As noted by Rahmawati & Putri (2022), healthy financial habits act as a prerequisite, ensuring that the motivation to invest is backed by actual resource availability.

4.2.3 Motivation as the "Tipping Point" for Decision Making (H3)

Investment Motivation is proven to be a critical determinant that transforms latent potential into actual execution. The findings indicate that in the volatile crypto market, students driven by strong motivation are significantly more likely to execute investment decisions (O=0.305, P=0.009). Motivation serves as the "tipping point" that overrides hesitation. This is consistent with findings by Adib et al. (2024), who argue that in digital asset markets, psychological drive often plays a stronger role than technical analysis alone in triggering the final decision to buy.

4.2.4 Distinct Pathways: The Mediating Role of Motivation (H4 & H5)

A key insight from this study is the discovery of two distinct pathways influencing investment decisions. First, Financial Literacy requires a bridge. The mediation analysis confirms that Investment Motivation significantly mediates the relationship between literacy and decisions (O=0.149, P=0.038). This suggests that knowledge alone is passive; it must be activated by motivation to result in action. Second, Financial Behavior acts as a direct enabler. Contrary to the literacy pathway, Investment Motivation does not mediate the relationship between behavior and decisions (O=0.081, P=0.069). Instead, Financial Behavior exerts a powerful direct effect on decisions (O=0.322, P=0.001). This finding highlights a critical "behavioral reality": students with good saving habits and liquidity tend to invest directly because they have the means to do so, regardless of their motivational intensity. This reinforces the argument that while literacy helps one think about investing (indirectly), financial discipline enables one to start investing (directly).

5. CONCLUSION

Based on the analysis of 102 FEB UNJ students, this study concludes that Financial Literacy and Financial Behavior operate through distinct mechanisms in shaping Crypto Investment Decisions. The findings reveal a critical insight: Financial Literacy requires a motivational bridge, whereas Financial Behavior acts as a direct enabler.

Specifically, Financial Literacy functions as a cognitive foundation that boosts confidence, thereby significantly increasing Investment Motivation. However, literacy alone is passive; it relies on motivation to translate knowledge into action (mediation pathway). In contrast, Financial Behavior—manifested through saving habits and liquidity management—exerts a robust direct influence on investment decisions without being mediated by

motivation. This proves that in the high-risk context of cryptocurrency, the practical capacity to invest (having funds/behavior) is a more direct predictor of execution than cognitive understanding alone.

Implications Theoretically, this study clarifies the "Knowledge-Action Gap" by demonstrating that knowledge needs a psychological drive (motivation) to be effective, while financial discipline directly facilitates market participation. Practically, for institutions like UNJ and policymakers (OJK), the results suggest a two-pronged strategy:

1. For Education: Curricula must move beyond technical theory to foster "calibrated motivation"—encouraging students to invest based on rational goals rather than FOMO.
2. For Habit Formation: Programs should emphasize practical financial discipline (saving challenges), as this direct behavioral path is the strongest enabler of student investment.

Limitations and Future Research This study is constrained by its cross-sectional design and the exclusive focus on economics students. Future research should utilize longitudinal methods to examine behavioral changes over time and include participants from other academic disciplines to facilitate comparisons of literacy and behavior across fields.

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