College Students' Intentions to Invest in the Stock Market: The Role of Individual Factors During the Covid-19 Pandemic

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Abstract

The advancement of information technology encourages significant changes in individual behavior, including financial behavior. Recent financial behaviour paradigm is linked to the psychological aspect, where important concepts in psychology have been incorporated into the financial context. During the Covid-19 pandemic, the number of new investors in the Indonesian Stock Market experienced a significant increase, especially college students as investors. During the pandemic, individuals find it difficult to "make money" and the stock market offers the possibility of "money making" through profit from the invested capital. The increase in the number of new investors from the college student sector indicates that their intention to invest in the stock market is very high. College students' intention to invest is the direct antecedent of their behavior, and individual factors from the psychological aspect are needed to support this behavior. We examined the relationship between emotional intelligence, locus of control, and risk-aversion behaviour on college students' intentions to invest in the stock market. This research was conducted at six universities in Surabaya from March to June 2021. We found evidence that emotional intelligence and locus of control have a positive effect on college students' intentions to invest in the stock market, meanwhile, risk-aversion behaviour have negative impact on college students' intentions to invest in the stock market. This study contributes to a greater understanding of the importance of individual factors when college students intend to invest, especially when stock market uncertainty increases. These findings have significant theoretical contributions and provide recommendations for industries and financial policymakers.

Keywords
College students' intentions, emotional intelligence, locus of control, risk-aversion, Covid-19 pandemic

Biographies
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