

Determination of Islamic Investment Behaviour:

Study of shariapreneur community

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Abstract—This study aims to determine the influence of religiosity, income, and education on Islamic investment behavior. The method used is explanatory survey with multiple linear regression test. Research respondents are shariapreneur Community in Bandung City. The sampling technique used is random sampling. The result of research shows that Islamic investment behavior of Shariapreneur Community member can be categorized as high and significant. Islamic investment behavior is influenced by religiosity while income and education are not significant effect.

Keywords—investment behavior; Islamic investment behavior; religiosity

I. INTRODUCTION

Islam does not only regulate the manner of worship but Islam also regulates all aspects of life, including economies such as investment [1]. In this modern era, many derivative products have been created in financial investments such as stocks and others. But there are still not many Muslims who know how the laws invest in these derivative products.

Research conducted by Chakraborty and Digal states that investment behavior of Indian society is influenced by employment, age, and income [2]. This is supported by Ansari and Moid who report that investment behavior is influenced by age and income but is not influenced by gender [3]. Kaurisk added that age, gender and income affect one's investment behavior [4]. This is consistent with Gup's statement that some things that affect a person in determining the money to be used in investing are age, income and knowledge [5]. In addition to the above research, Bouhari and Soussi's research concludes that education has an influence on investment behavior [6]. The research conducted by Tahir and Brimble stated that the investment behavior of a Muslim will be influenced by the level of adherence to religion or religiosity [7]. Muslims who have high compliance will tend to invest in sectors that do not contain Maysir, Gharar, Haram and Riba (MAGHRIB). But this is inversely proportional to the research conducted by Jamaluddin which states that religiosity does not affect a person in Islamic investment behavior [8]. So, the purpose of this study is to find out what determinants influence a person in Islamic investment behavior.

II. METHOD

The approach used in this study is quantitative, while the method used is an explanatory survey. Survey is a method that prioritizes description, analysis, and interpretation of existing conditions [9]. The explanatory study emphasized is to clarify why and how relationships occur between two aspects of a situation or phenomenon [10]. The explanatory survey method according to Sugiono is a method that takes samples from a population by using a questionnaire as the main data collection tool.

The truth of the hypothesis in this study will be tested through data collection in the field, regarding the influence of religiosity, income, and education on Islamic investment behavior as members of the Bandung Shariapreneur Community (SPC). The type of data used is primary data. The data analysis technique used is multiple regression analysis.

III. RESULTS

Based on the results of the study, it was found that the field facts were in Table 1. Table 1 shows that only influence the behavior of Islamic investment is religiosity, while income and education have no effect. Then the research model is improved to model 2. Table 1 explains that the results of hypothesis testing 2 and 3 namely income and education have no significant effect on Islamic investment behavior which only consists of variables that significantly influence Islamic investment behavior, namely religiosity. The magnitude of the effect of religiosity is 0.438 or equal to 19.4%, while the other 80.6% is influenced by other factors outside the independent variables mentioned.

A. *The Influence of Religiosity on Islamic Investment Behavior*

Based on Table 1 it can be seen that t count has a value of 3.796 while t table is 1.996. T count has a greater value than t table, it can be concluded that the hypothesis is rejected. In examining the effect of religiosity on Islamic investment behavior, it can be concluded that Religiosity influences Islamic Investment Behavior as evidenced by a higher t count than t table.

TABLE I. MULTIPLE LINEAR REGRESSION TEST RESULT

Model	Coefficient		R Squared (F)	t (P)
	Unstandardized	Standardized		
Model 1			0.194 (5.71)	
C	49.313			3.832 (0.000272)
X1	1.122	0.007		3.796 (0.000307)
X2	-0.453	-0.53		-0.464 (0.643935)
X3	0.087	0.423		0.064 (0.949217)
Model 2			0.192 (17.33)	
C	47.188			4.924 (0.000005)
X1	1.161	0.438		4.163 (0.000085)

B. The Influence of Income on Islamic Investment Behavior

Based on Table 1 it can be seen that t count has a value of -0.646 while the t table value is 1.996. T count has a smaller value compared to t table, it can be concluded that the hypothesis is accepted. In testing the effect of income on Islamic investment behavior, it can be concluded that income does not affect Islamic investment behavior as evidenced by a smaller t count than t table.

C. The Influence of Education on Islamic Investment Behavior

Based on Table 1 it can be seen that t count has a value of 0.064 while the t table value is 1.996. T count has a smaller value compared to t table, it can be concluded that the hypothesis is accepted. In testing the effect of education on Islamic investment behavior, it can be concluded that education does not affect Islamic investment behavior as evidenced by a smaller t count than t table.

IV. DISCUSSION

A. The Influence of Religiosity on Islamic Investment Behavior

This finding is in line with the research conducted by Tahir and Bimble [7]. Respondents from the research conducted by Tahir are American Muslims who have shares in the capital market. Religiosity is tested for its influence on the choice of investment objects made by Muslim investors. This study has the conclusion that religiosity only affects Muslims who obey the teachings of their religion. Devout Muslims will practice Islamic teachings such as not choosing to invest in objects or companies that contain usury such as banking or gambling elements such as casinos. This is in line with the results of the study that all respondents from SPC have religiosity in the high and medium categories, so that in accordance with the research conducted by Tahir, religiosity influences the Islamic investment behavior of SPC members [7].

However, this finding is inversely proportional to research conducted by Jamaludin. Respondents from the research conducted by Jamaludin are pension fund owners who play

funds in an investment institution in Malaysia. This study aims to find out whether religion and religiosity have an influence on the choices made by the fund owner. Religiosity variables in Jamaludin's research have similar indicators in the research that the author did [8].

B. The Influence of Income on Islamic Investment Behavior

Field facts on this variable are not in line with Gup's theory which states that investment behavior can be influenced by one's income. The results of this study also have different results from research conducted by Chakraborty & Digal and Ansari & Moid [2,3]. Respondents from research conducted by Chakraborty were individual investors who were not included in the investment institution while respondents from Ansari were young professionals. These two studies located in India each measure gender, income and employment against investment behavior. The results of this study state that income has an influence on investment behavior.

Research conducted by Kauhisk whose respondents are mutual fund investors and based in India also has the same conclusions as of the two previous studies. Kauhisk research measures demographic factors such as gender, age, income on investment behavior. The result is that income has a significant influence on investment behavior. Respondents who have high income tend to take more into account the risks and returns they get, are more diligent in saving and have the ability to explore other alternative investment objects so that mutual funds are one of the objects chosen by high-income investors in India

This different field fact is suspected because the theory put forward by Gup is a theory that can be applied to general investment behavior, whereas in Islamic investment behavior income is not one of the significant variables affecting. Different results from previous studies are also suspected due to differences in the research methods used. Chakraborty and Ansari research used chi-square analysis tool while in this study using multiple regression analysis tools [2,3]. In addition, the location of the research was also suspected to be one of the causes of differences in research results, both of which were located in India. The difference in behavior of Indian people is certainly different from the behavior of Indonesian people, especially the Indonesian Muslim community.

C. The Influence of Education on Islamic Investment Behavior

The findings in this study have the same results as the research conducted by Pratiwi, in a study conducted by Pratiwi measuring demographic factors on investment behavior [11]. Pratiwi said that investors who have higher education spend more time to invest, but this does not make education affect investment behavior.

Like the previous variables, these findings get different results from the theory proposed by Gup, but the theory put forward by Gup states that education is only an opening for investors. This finding also has research results that are different from the research conducted by Bouhari & Soussi which states that education has an influence on investment

behavior. The reason for the difference in the location of the holding of the study was also thought to occur in this variable.

The insignificance of income and education can be expected because in Islamic investment behavior one does not have to have a large income or high education. This is evidenced empirically from the fact that respondents who have a large income and high education get an unfavorable category in Islamic investment behavior. The thing that must be owned by someone to be able to behave well in Islamic investment is knowledge and awareness of Islamic principles in investing. In addition, one must obey in carrying out religious teachings which means avoiding Maghrib, thinking of aspects outside the aspects of the world such as profit and also thinking about life in the hereafter. Therefore, a person's religiosity must be in a high category, because in religiosity there is also a practice of worship where a person is required to obey in worship. As devout Muslims, practicing Islam is certainly not limited to worship, but also in daily activities such as investment.

V. CONCLUSION

Based on the research that has been done on Shariapreneur Community members to find out the picture of religiosity, income, and education and their impact on Islamic investment behavior, it can be concluded that religiosity has a positive influence on Islamic investment behavior. This means that the higher the value of a person's religiosity, the better the Islamic investment behavior will be. Religiosity will increase the accuracy of Islamic investment behavior of community members. Income and education have no influence on Islamic investment behavior. This indicates that a person's income and education cannot determine how one's Islamic investment behavior is.

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