The Influence of Financial Literacy and Religiosity on Students' Investment Decisions: A Comparative Study between Boarding School and Non-Boarding School Students

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Abstract

This study aims to analyze the influence of financial literacy and religiosity on investment decisions, and to compare the differences in these influences on Islamic boarding school students and non-Islamic boarding school students in Surakarta City. This study is a quantitative study with a sample of 165 university students in Surakarta City, both with and without an Islamic boarding school background. Data collection techniques used tests and questionnaires in the form of Google Forms. Data analysis techniques used descriptive analysis, normality tests, linearity tests, multicollinearity tests, heteroscedasticity tests, and multiple linear analysis. The results of this study indicate that 1) financial literacy has a positive and significant effect on investment decisions, obtaining a regression coefficient of 0.574 and a calculated t of 2.286. The calculated t value > t table (2.286 > 1.974) and a significance value of 0.024 is smaller than 0.05 (0.024 < 0.05); 2) religiosity has a positive and significant effect on investment decisions, obtaining a regression coefficient of 0.271 and a calculated t of 4.221. The calculated t value > t table (4.221 > 1.974) and the significance value of 0.000 is smaller than 0.05 (0.024 < 0.05). 3) Islamic boarding school students have a greater influence on investment decisions than non-Islamic boarding school students, obtaining a determination coefficient (R^2) of 0.505 and non-Islamic boarding school students of 0.396.

How to Cite

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INTRODUCTION

Islamic boarding schools (pesantren) are traditional Islamic educational institutions that play a role not only in strengthening religious aspects but also in shaping the character, morality, and independence of their students. According to Government Regulation Number 55 of 2007, the Ministry of Religious Affairs of the Republic of Indonesia defines a pesantren as a community-based Islamic religious educational institution established by individuals, foundations, Islamic community organizations, or communities, with the aim of instilling faith and piety in God. With modern social and economic developments, pesantren are encouraged to become centers for strengthening the community's economy through productive activities, including investment. Technological advancements and easy access to financial information make it easier for students, including those with an Islamic boarding school background, to understand and engage in investment activities from an early age (Capur & Gutter, 2019).

Students, as part of the younger generation, are faced with a variety of investment instrument options, from stocks and mutual funds to crypto assets. This convenience aligns with the increasing need to maintain and grow wealth as a form of social security for the future (Wijethunga et al., 2025). However, there is still a perception among students that investing is only for high-income individuals. According to the Indonesian Central Securities Depository (KSEI, 2024), the number of Indonesian investors continues to experience significant growth across various instruments, such as the capital market, mutual funds, stocks, and government securities. However, in terms of educational demographics, the majority of investors come from a high school education level (49.79%), while investors with a bachelor's degree have the largest asset value, amounting to IDR 682.70 trillion. This difference indicates a gap in understanding of investing, which can impact suboptimal financial decisions, particularly among students (Fong, 2025).

Table 1. Indonesian Investor Level

Types Investment	Investor Growth			
	2021	2022	2023	2024
Capital market	92.99%	37.68%	18.01%	1.96%
Mutual funds	115.45%	40.41%	18.87%	1.98%
Stock Market	103.60%	28.64%	18.37%	1.70%
SBN	32.75%	36.05%	20.60%	1.26%

Source: KSEI, 2024

Financial literacy plays a crucial role in rational and effective investment decision-making. "Individuals with high financial literacy tend to be better able to consider financial goals, time horizons, risks, and potential returns (Rastogi & Gupta, 2020)." Financial literacy reflects the ability to understand basic financial concepts, manage money, and make rational investment decisions (Mahmood et al., 2024). When financial literacy is low, students are susceptible to financial mismanagement and tend to engage in consumptive behavior (Kumari, 2020; Pangestu & Kardin, 2020; Nurbaeti et al., 2019; Kasoga, 2021; Lisana et al., 2025).

In addition to financial knowledge, religiosity also plays a role in shaping investment behavior. Religiosity, defined as the level of belief in and practice of religious teachings, can influence prudence in selecting investment instruments. Previous research has shown a positive relationship between religiosity and attitudes toward socially responsible investment practices (Singh et al., 2020; Ali et al., 2017). Investors with high religiosity tend to choose safe instruments, avoid high risks, and align with their moral values (Chircop et al., 2020; Banuri et al., 2024; Rahman, 2020). In the context of university students, those with strong religiosity generally prefer instruments compliant with Sharia principles, such as sukuk and Sharia mutual funds (Dinc et al., 2021).

Students who attended Islamic boarding schools (pesantren) are thought to have a deeper understanding of religious values than non-pesantren students. This potentially influences their perspectives and attitudes toward investment decision-making. Conversely, non-pesantren students acquire religious values from formal education or their family environment, which may influence investment preferences differently (Fachri & Kahpi, 2021).

This study uses the Personal Financial Management Behavior (PFMB) theory of Goyal et al. (2021) to examine the influence of financial literacy and religiosity on investment decisions of Islamic boarding school and non-Islamic boarding school students in Surakarta City. PFMB explains that financial management behavior, from planning to evaluation, is influenced by demographic, social, cultural, experience, financial literacy, and technological factors, and emphasizes the role of personal attitudes and values. This research offers significant novelty compared to previous studies, as few studies have specifically explored the joint influence of financial literacy and religiosity on investment decision-making among Islamic boarding school and non-Islamic boarding school students.

Based on this background, "this study aims to analyze the influence of financial literacy and religiosity on investment decisions among Islamic boarding school and non-Islamic boarding school students, and to compare the differences in influence between the two groups." The results are expected to provide theoretical contributions to the development of values-based financial literacy studies, as well as provide practical input for universities in designing learning strategies that integrate financial knowledge with religious values to foster wise and ethical investment behavior.

The selection of university students as the population in this study, with their background as students, represents the younger generation who will become economic actors in the future. This is due to their position at the higher education level, which allows them to understand various investment-related issues in greater depth. Furthermore, they are also at a crucial life stage in shaping mindsets and habits for long-term investment decision-making. Therefore, the research results are expected to provide a richer contribution to understanding the factors shaping investment decisions among Indonesian university students. Surakarta was chosen because of its diverse higher education institutions with students from diverse social, cultural, and economic backgrounds. This offers the potential for richer and more representative data to examine how financial literacy and religiosity influence investment decisions.

METHODS

Type of Research

This study employed a quantitative strategy based on survey data. According to Sugiyono (2023), a quantitative approach is used to collect objective data, test correlations between variables, and systematically validate hypotheses. This study employed multiple regression because the analysis focused on the direct influence between variables, measured through composite scores from validity and reliability tests. Therefore, latent variables were transformed into observable variables. The multiple regression method was chosen due to its simplicity and relatively limited sample size.

Population and Sample

The population in this study included all students of public and private universities in Surakarta City. The sampling technique used was purposive sampling with the criteria of respondents being Muslim and having an educational background of Islamic boarding schools or non-Islamic boarding schools. The sample size was determined based on the formula of Hair et al. (2010) with a ratio of 15 respondents per indicator, resulting in a minimum of 165 respondents. The sample was distributed proportionally, namely 60% from public universities and 40% from private uni-

versities, so that the representation of each student group is balanced and reflects the proportion of the actual population. This approach is expected to increase the accuracy and validity of the research results.

Research Time and Location

The research was conducted from January to July 2025 in Surakarta City, involving students from various state and private universities.

Research Instrument

The research instrument consists of three parts. First, the Financial Literacy variable was adapted from Lusardi (2019) with three main indicators: financial knowledge, financial attitudes, and financial behavior. An example item used is "Suppose you have IDR 100 in a savings account with an interest rate of 2% per year. After 5 years, how much would you have saved if you had no withdrawals?" This variable was measured using an objective multiple-choice test. Second, the Religiosity variable was adapted from Soroglou (2011) with four indicators: believing, belonging, behaving, and bonding. Examples of items include "My spiritual beliefs form the basis for making investment decisions" or "I feel part of a religious community." Third, the Investment Decision variable was adapted from Puustinen et al. (2013) with four indicators: economic, functional, emotional, and symbolic considerations. Examples of items include "I think investing in stocks is an affordable way to invest" and "Investing in stocks is a convenient way to invest."

Religiosity and investment decisions were measured using a 7-point Likert scale (1 = strongly disagree to 7 = strongly agree), while a test was used to measure the financial literacy variable, as a systematic description of the distribution of financial literacy levels among respondents. The results of the construct validity test using Confirmatory Factor Analysis (CFA) showed that all items had factor loading values above 0.60, thus being declared construct valid.

Research Procedure

The research stages included:

Preparation: instrument development, validity and reliability testing using Confirmatory Factor Analysis (CFA) and Cronbach's Alpha. The research instrument was considered reliable if the Cronbach's Alpha value was >0.60.

Data Collection: online questionnaire distribution via Google Forms to respondents according to the sample criteria.

Data Processing: data completeness checking, invalid data filtering, and coding.

Data Analysis: descriptive tests, multiple linear regression to examine the effect of financial literacy and religiosity on investment decisions, and a difference test to compare the results between Islamic boarding school and non-Islamic boarding school students.

Data Analysis Techniques

The analysis was conducted using statistical software. Validity was tested using Confirmatory Factor Analysis (CFA) software, reliability using Cronbach's Alpha, and hypothesis testing using multiple linear regression. Furthermore, a difference test was conducted to determine the differences in influence between student groups based on their educational backgrounds, whether they attended Islamic boarding schools or non-Islamic boarding schools. The multiple regression method was chosen because it can efficiently test linear relationships and compare influences between groups by including dummy variables or interactions, without requiring complex structural models.

RESULTS AND DISCUSSION

This study analyzes the influence of financial literacy and religiosity on investment decisions among Islamic boarding school and

Table 2. Characteristics of Research Respondents

Descriptive Statistic		
Control Variable	Frequency	Precentage (%)
Gender		
Woman	86	48%
Man	79	52%
Age		
<20 year	37	23%
21 – 25 years	116	70%
26 – 30 years	8	5%
>30 year	4	2%
Educational level		
Diploma	41	25%
S1	92	56%
S2	23	14%
S3	9	5%
University status		
State	123	75%
Private	42	25%
Investment Experience		
Ever	87	53%
Not Yet	78	47%
Boarding School Experience		
Yes	88	53%
No	77	47%

Source: Processed Primary Data, 2025

non-Islamic boarding school students in Surakarta City. In Surakarta City, 165 students were surveyed online using Google Forms. Data were then collected and evaluated using the following method.

This study involved 165 students from public and private universities in Surakarta City, consisting of 86 women and 79 men. Based on age, 37 respondents were under 20 years old, 116 were 21–25 years old, 8 were 26–30 years old, and 4 were over 30 years old. In terms of educational level, there were 41 diploma students, 92 undergraduate students, 23 master's students, and 9 doctoral students. The majority (123 students) were from public universities, while 42 students were from private universities. Based on investment experience, 87 students had invested, while 78 had not. Meanwhile, in terms of experience attending Islamic boarding schools (pesantren), 88 students had attended boarding schools (pesantren), while 77 had no.

Descriptive analysis using SPSS 25 shows the minimum, maximum, average (mean), and standard deviation values for each research variable. Financial Literacy ($X1$), measured by 5 items, has a mean = 0.320, min = 0, max = 1, and SD = 0.214. SD < mean, indicating there is no significant gap between the minimum and maximum scores. Religiosity ($X2$), measured by 7 items, has a mean = 5.676, min = 2.71, max = 7.00, and SD = 0.777. SD < mean, indicating a relatively even distribution of data. Investment Decision (Y), measured by 12 items, has a mean = 4.763, min = 2.86, max = 6.33, and SD = 0.817. SD < mean, indicating there is no significant gap in the distribution of scores. Furthermore, control variables such as gender, age, education level, university, and investment experience also showed standard deviation values smaller than the mean, indicating a relatively homogeneous data distribution. Thus, all variables had an even distribution and no significant deviations, as the SD was <30% of the mean (Hindrayani & Totalia, 2010). However, this narrative analysis is still descriptive in nature and has not been deeply linked to the potential influence of control variables on the relationship between the main variables. Therefore, further analysis using multiple regression was conducted to examine the extent to which these control variables influence the relationship between financial literacy, religiosity, and investment decisions.

Table 3. Statistical Data Description of Research Results

Variable	1	2	3	4	5	6	7	8
1. Financial Literacy								
2. Religiosity	-0.006							
3. Investment Decisions	0.189*	0.254**						
4. Gender	-0.092	0.035	0.243**					
5. Age	-0.027	-0.011	0.243**	0.042				
6. Educational level	-0.001	-0.047	0.73*	0.051	0.140			
7. University status	-0.189*	0.028	-0.025	0.039	0.162*	-0.008		
8. Investment Experience	-0.011	-0.028	0.384**	0.308**	0.104	0.022	0.054	
N	165	165	165	165	165	165	165	165
Min	0.00	2.71	2.86	0.00	0.00	0.00	0.00	0.00
Max	1.00	7.00	6.33	1.00	3.00	3.00	1.00	1.00
Mean	0.320	5.676	4.753	0.521	0.787	1.018	0.557	0.521
Std. Deviation	0.218	0.777	0.817	0.501	0.632	0.792	0.498	0.501

Source: Processed Primary Data, 2025

Prerequisite Test Results

Normality Test

In this study, SPSS version 25 was used to conduct a one-sample Klomograv-Smirnov test. Asymp. Sig. (2-tailed) = 0.200 > 0.05, indicating that the data distribution was normally distributed. Furthermore, the histogram indicates that the regression model has normal residual values; the model is bell-shaped and follows a diagonal line, which is consistent with the findings of the normality test.

Linearity Test

Significance and linearity form the basis for decision-making. A statistically significant linear relationship between the independent and dependent variables is defined as a significance value greater than 0.05. The Table 4 displays the results of the linearity test.

Table 4. Linearity Test Results

Variable	Sig. Value	Description
Financial Literacy	0.015	Linearity
Religiosity	0.001	Linearity

Source: Processed Primary Data, 2025

The results of the linearity test revealed that the financial literacy variable had a significance value of 0.015 and the religiosity variable had a significance value of 0.001, both of which are less than 0.05. Therefore, it can be concluded that the relationship between the financial literacy and religiosity variables is linear, making them suitable for use in a multiple regression model.

Multicollinearity Test

The multicollinearity test determines whether the independent variables and the dependent variable are correlated. This test is performed using the VIF and Tolerance values in the Coefficients table. The study showed no multicollinearity problems in all variables. The independent variables of financial literacy (X1) and religiosity (X2) had a Tolerance value $\geq$ 0.1 (X1 = 0.880; X2 = 0.984) and a VIF $\leq$ 10 (X1 = 1.137; X2 = 1.016). The control variables (gender, age, level, university, investment experience, boarding school experience) also met the criteria of Tolerance $\geq$ 0.1 and VIF $\leq$ 10.

Heteroscedasticity Test

This research regression did not experience heteroscedasticity issues, as demonstrated by the scatterplot heteroscedasticity test, which revealed that the points were unevenly distributed around the Y-axis value of 0 without any discernible pattern.

Hypothesis Test Results

Regression Test Results

Hypothesis testing was conducted on 165 samples using SPSS 25 using seven regression models. Table 6 displays the regression results for all students, Table 7 for students with Islamic boarding school backgrounds, and Table 8 for students without Islamic boarding school backgrounds. The influence of independent variables on investment decisions is determined by a significance value <0.05 and a calculated t value > t table (1.974).

The regression analysis in model 1 assesses the influence of control variables (gender, age, education level, university, investment experience) on investment decisions. The results show that most control variables have a significant effect: gender (calculated t = 2.372), age (3.068), university (-3.300), and investment experience (6.315), with a significance value <0.05. A negative t value indicates a reverse direction of influence, so university tends to weaken investment decisions. Investment experience has the strongest influence on investment decisions. Education level (calculated t = 1.803, significance >0.05) has no significant effect.

The coefficient of determination (R^2) of model 1 is 0.357, which means that the control variables explain 35.7% of investment decisions, while 64.3% is influenced by other factors outside the research.

Table 5. Results of Overall Respondent Regression Test

	Model 1	Model 2	Model 3	Conclusion of Hypothesis Testing
Control variables				
Gender	0.245*	0.295*	0.253*	
	(2.372)	(2.824)	(2.541)	
Age	0.270**	0.270**	0.274**	
	(3.068)	(3.110)	(3.327)	
Educational level	0.121	0.121	0.131*	
	(1.803)	(1.826)	(2.068)	
University status	-0.409**	-0.387**	-0.383**	
	(-3.300)	(-3.154)	(-3.290)	
Investment Experience	0.706**	0.666**	0.695**	
	(6.315)	(5.968)	(6.545)	
Main effect				
Financial Literacy		0.574*	0.572*	
		(2.286)	(2.401)	H1 Supported
Religiosity			0.271**	
			(4.280)	H2 Supported
N	165	165	165	
Sig	0.000	0.015	0.001	
F	14.647	13.636	15.538	
R^2	0.357	0.378	0.443	
**Regression significant at 0.01 (2-tailed)				
*Regression significant at 0.05 (2-tailed)				

Source: Processed Primary Data, 2025

Table 6. Results of the Regression Test for Islamic Boarding School Students

	Model 1	Model 2
Control variables		
Gender	0.377*	0.366*
	(2.477)	(2.482)
Age	0.182	0.228
	(1.352)	(1.851)
Educational level	0.134	0.164
	(1.223)	(1.639)
University status	-0.381*	-0.365*
	(-2.294)	(-2.357)
Investment Experience	0.712**	0.699**
	(4.487)	(4.711)
Main effect		
Financial Literacy		0.294
		(0.897)
Religiosity		0.335**
		(4.147)
N	88	88
F	10.515	11.658*
R²	0.391	0.505
**Regression significant at 0.01 (2-tailed)		
*Regression significant at 0.05 (2-tailed)		

Source: Processed Primary Data, 2025

Table 7. Results of Regression Test for Non-Islamic Boarding School Students

	Model 1	Model 2
Control variables		
Gender	0.193	0.159
	(1.139)	(0.986)
Age	0.368*	0.340*
	(2.626)	(2.548)
Educational level	0.141	0.117
	(1.522)	(1.338)
University status	-0.417*	-0.396*
	(-2.063)	(-2.069)
Investment Experience	0.679**	0.682**
	(4.000)	(4.230)
Main effect		
Financial Literacy		1.019**
		(2.894)
Religiosity		0.186
		(1.760)
N	77	77
F	6.100	6.452
R²	0.300	0.396
**Regression significant at 0.01 (2-tailed)		
*Regression significant at 0.05 (2-tailed)		

Source: Processed Primary Data, 2025

Financial Literacy Has a Positive and Significant Influence on Investment Decisions

The regression results in Model 2 (Table 6) "indicate that financial literacy has a significant and positive influence on investment decisions, with a regression coefficient of 0.574 and a calculated t-value of 2.286 (calculated t-value > 1.974) and a significance level of 0.024 (<0.05). In this model, the control variable of education level has no significant influence, while university has a significant negative influence, indicating a weakening influence on investment decisions."The coefficient of determination (R²) in Model 2 is 0.378, meaning the combination of control variables and financial literacy explains 37.8% of the variation in investment decisions, while the remaining 62.2% is influenced by factors outside the study." Hypothesis 1 regarding the

influence of financial literacy on investment decisions is accepted.

Religiosity Has a Positive and Significant Influence on Investment Decisions

The regression results in Model 3 (Table 6) indicate that religiosity has a significant and positive influence on investment decisions, with a regression coefficient of 0.271 and a calculated t-value of 4.221 (calculated t-value > t-table 1.974) and a significance level of 0.000 (<0.05). The higher a person's religiosity, the greater the tendency to make prudent investment decisions and consider moral values. In this model, the university control variable has a significant negative influence, indicating a weakening influence on investment decisions. The coefficient of determination (R²) in Model 3 is 0.443, meaning that religio-

sity and the control variables explain 44.2% of the variation in investment decisions, while the remaining 55.8% is influenced by factors outside the study. Hypothesis 2 regarding the influence of religiosity on investment decisions is accepted.

The regression results for Islamic boarding school students show that in the control variable model, gender and investment experience have a significant positive effect on investment decisions, while university has a significant negative effect, with a coefficient of determination (R^2) of 0.391. When financial literacy and religiosity are added, only religiosity has a significant positive effect on investment decisions (coefficient = 0.335; tcount = 4.147; sig. = 0.000), while financial literacy has no significant effect. Conversely, for non-Islamic boarding school students, the control variables that have a significant positive effect are age and investment experience, while university has a significant negative effect (R^2 = 0.300). In the model involving financial literacy and religiosity, only financial literacy shows a significant positive effect (coefficient = 1.019; tcount = 2.894; sig. = 0.005), while religiosity has no significant effect. These results indicate that the influence of financial literacy and religiosity on investment decisions differs based on the students' Islamic boarding school educational background. However, in this study, the regression analysis focused on Model 2 to examine the influence of financial literacy and religiosity on investment decisions, with an emphasis on the coefficient of determination (R^2) as a measure of the independent variable's contribution to the dependent variable for each student group.

The Influence of Differences in Financial Literacy and Religiosity on Investment Decisions is Greater for Islamic Boarding School Students Than for Non-Islamic Boarding School Students

The analysis results indicate a difference in the influence of financial literacy and religiosity on investment decisions between Islamic boarding school and non-Islamic bo-

arding school students. The coefficient of determination (R^2) for Islamic boarding school students was 0.505, while for non-Islamic boarding school students it was 0.396, indicating a stronger influence of the research factors in the Islamic boarding school group. Islamic boarding school educational background not only differentiates character but also strengthens the contribution of psychological and cognitive factors in shaping more rational and prudent investment decisions, with the integration of religious values and financial literacy serving as moral guidelines in decision-making.

Specifically, financial literacy had a positive and significant effect on investment decisions among non-Islamic boarding school students (coefficient = 1.019; t = 2.894), while it was only a positive but insignificant effect among Islamic boarding school students (coefficient = 0.294; t = 0.897). Conversely, religiosity had a positive and significant effect among Islamic boarding school students (coefficient = 0.335; t = 4.147), while it was insignificant among non-Islamic boarding school students (coefficient = 0.186; t = 1.760). These findings confirm that religiosity plays a greater role in shaping investment decisions among Islamic boarding school students, while financial literacy is more dominant among non-Islamic boarding school students.

Overall, although both groups exhibit positive tendencies toward investment decisions, approaches to financial literacy and values-based education need to be tailored to each student's background. Thus, the difference in the influence of financial literacy and religiosity on investment decisions is more significant for Islamic boarding school students than for non-Islamic boarding school students, thus accepting Hypothesis 3.

This study formulated three hypotheses and tested them, showing that financial literacy and religiosity have a positive and significant influence on investment decision-making among students. The influence of financial literacy and religiosity on investment decisions is greater among Islamic boarding school

students than among non-Islamic boarding school students, supporting previous findings by Shah et al. (2024), Singh et al. (2020), and Chircop et al. (2020). Financial literacy encourages rational financial management behavior, including planning, managing income, expenses, savings, and evaluating investment risks. Meanwhile, religiosity influences financial behavior through individual ethical values, prudence, and moral responsibility. The PFMB theory emphasizes that investment decisions are influenced not only by cognitive aspects such as financial literacy, but also by personal values and beliefs, which together shape students' responsible financial behavior.

The Influence of Financial Literacy on Investment Decisions

The results of the hypothesis test indicate that Hypothesis 1 is accepted, namely that financial literacy has a positive and significant effect on students' investment decisions. A positive regression coefficient indicates that higher financial literacy leads to better investment decisions. This finding aligns with previous research (Shah et al., 2024; Wang et al., 2024; Prasad et al., 2021; Jariwal, 2015), which emphasizes financial literacy as a key factor in rational and optimal investment decision-making. The results also support the PFMB theory, which states that personal financial management behavior, including investment decisions, is influenced by an individual's knowledge, skills, and attitudes toward finance. Making investment decisions requires more than just an intention or interest in investing; good financial literacy enables the ability to understand risks, evaluate investment alternatives, and make informed decisions in line with financial goals, reflecting rational and responsible investment behavior.

In this study, the majority of 165 university students in Surakarta City had a basic understanding of financial literacy, including investment types, benefits, and financial mana-

gement. The distribution of respondents' education consisted of Diploma (41), Bachelor's (92), Master's (23), and Doctoral (9), which indicates that education level can influence financial literacy. The higher a person's education, the higher their financial literacy tends to be due to differences in income profiles and life cycles, resulting in more mature, rational, and responsible investment decisions.

The Influence of Religiosity on Investment Decisions

The results of the hypothesis test indicate that hypothesis 2 is accepted, namely that religiosity has a positive and significant effect on students' investment decisions. The positive regression coefficient indicates that religiosity—as a reflection of religious values and moral ethics—shapes how individuals consider risks, choose appropriate investment instruments, and ensure investment decisions align with their spiritual principles. This finding aligns with previous studies (Singh et al., 2020; Ali et al., 2017; Nair & Ladha, 2014), which emphasize that individuals with high levels of religiosity tend to consider aspects of halalness, transparency, and social impact in investments. The PFMB theory indirectly positions religiosity as one of the personal aspects and values of financial management. This theory emphasizes that financial behavior, including investment decisions, is influenced not only by cognitive aspects such as knowledge and skills, but also by personal attitudes and values such as religiosity. In this context, religiosity can strengthen an individual's attitude of prudence and responsibility towards financial decisions made, thus reflected in investment behavior that is not only rational, but also ethical and based on spiritual values. Based on the questionnaire, respondents on average stated a high level of religiosity (score 6 – agree), which also strengthens ethical, responsible and rational investment decision-making.

There is a Difference in the Influence of Financial Literacy and Religiosity on Investment Decisions among Islamic Boarding School and Non-Islamic Boarding School Students.

The results of the hypothesis test indicate that hypothesis 3 is accepted, namely that the influence of differences in financial literacy and religiosity on investment decisions is greater among Islamic boarding school students than among non-Islamic boarding school students. The coefficient of determination (R^2) value is higher among Islamic boarding school students, indicating the important role of religious education in shaping financial behavior and individual perspectives on investment. This finding is consistent with previous research (Khedmati et al., 2021; Chircop et al., 2020; Hilary & Hui, 2009; Adhikari & Agrawal, 2016; Misra et al., 2019), which shows that the level of religiosity is positively correlated with more conservative, ethical, and cautious investment preferences. The fact that the influence of financial literacy and religiosity on investment decisions is greater among Islamic boarding school students indicates the important role of religious education in shaping individual financial perspectives and behavior. Students with Islamic boarding school experience generally undergo a holistic learning process, where religious values are not only taught theoretically but also practiced in daily life through habituation. The Islamic boarding school environment consistently instills the principles of prudence, responsibility, and decision-making based on Islamic moral and ethical values. From a socio-cultural perspective, these findings have important implications for the economic context of Islamic boarding schools in Indonesia, particularly on the island of Java. Islamic boarding schools in Java have long served not only as religious educational institutions but also as centers for community economic empowerment. Many Islamic boarding schools are now developing Sharia-compliant business units, cooperatives, and even Sharia-compliant microfinance

institutions. The economic culture of Islamic boarding schools tends to emphasize the values of justice, sustainability, and social responsibility in economic activities. Therefore, students from Islamic boarding schools bring a more comprehensive perspective to investments, assessing them not only from a financial perspective but also from a perspective of blessings, social benefits, and adherence to religious principles. These values of caution, prudence, and tolerance indirectly contribute to ethical and non-speculative financial behavior. Thus, the Islamic boarding school background and Javanese culture shape financial behavior patterns that differ from those of non-Islamic boarding school students, who tend to be more rational and oriented toward economic efficiency. This difference is not solely due to differences in education, but due to the integration of spiritual and cultural values that have become inherent in the social life of the Islamic boarding school community.

CONCLUSION

Based on the data analysis and the test results discussed previously, we can conclude that:

Financial literacy has been shown to have a positive and significant influence on investment decisions. Students with good financial literacy are better able to identify investment opportunities that align with their goals and financial situation, thus encouraging more rational and targeted decision-making. A good understanding of financial concepts tends to enable better personal financial planning, including making sound investment decisions.

The findings of this study also indicate that religiosity plays an important and significant role in influencing investment decisions. High levels of religiosity encourage individuals to consider ethical aspects and spiritual values in every financial decision, including selecting investment instruments that align with their principles. Religious values also shape individuals' attitudes toward risk, ethics, and

responsibility in investment activities. Students with high levels of religiosity tend to consider moral aspects, ethics, and religious principles when selecting investment instruments. Thus, religiosity acts as a moral framework that influences individuals' thinking and actions in managing their finances and determining their investment strategies.

There are indications of differences in tendencies between students attending Islamic boarding schools and non-Islamic boarding school students. Students with educational experience in Islamic boarding schools (pesantren) demonstrated a more cautious and selective attitude towards investing, with a stronger orientation towards the suitability of investment instruments with Sharia principles. Conversely, students without an Islamic boarding school background tended to prioritize profitability and employed a rational and analytical approach to investment decisions, although religious values remained a key consideration.

This study has several limitations that warrant consideration. First, the use of a survey method with a self-report questionnaire may have introduced subjectivity bias in respondents' responses to the items. Second, this study was conducted in a limited area, namely Surakarta City, so generalizing the results to a broader context requires caution. Third, the analytical model used was a simple linear multiple regression analysis, which is unable to explain complex relationships such as mediation or moderation effects that may occur between latent variables.

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