

ABSTRACT

This research was based on phenomenon gap that the number of career women was not straightly comparable to the number of female investors. Research gaps told some variables which influenced investment also the differences in investment decision making characteristics between male and female. The purpose of this study was to analyze the effect of financial literacy, overconfidence, risk tolerance, and herding behavior towards investment decision between male and female.

Data collection was executed by collecting questionnaires. Probability sampling was used here, specifically with stratified disproportionate random sampling method. Samples taken were 200 monthly employees in Kudus Regency, consisting of 100 civil employees and 100 private employees, with 50 males and 50 females in each category. The data was analyzed with structural equation modeling (SEM) by Amos Graphics 22 and Mann-Whitney test by IBM SPSS Statistics 19.

Result showed that financial literacy, overconfidence, and risk tolerance had positive effect to investment decision. Financial literacy affected negatively to herding behavior, also herding behavior negatively influenced investment decision. Moreover, financial literacy, overconfidence, and risk tolerance extent of male were higher than female but herding behavior frequency of male was lower than female.

Keywords: financial literacy, herding behavior, investment decision, overconfidence, risk tolerance