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Determinants of Investment Behavior of the Younger Generation of Muhammadiyah in Indonesia

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ABSTRACT

This study examines the determinants of investment behavior among the Muhammadiyah Young Generation in Indonesia by integrating Muhammad Abu Zahrah's Maqasid Syariah perspective into the Theory of Planned Behavior (TPB) framework. Data were collected from 300 purposively sampled respondents aged 18–40 years in Medan, Jakarta, Surabaya, Malang, and Yogyakarta between March and April 2026 using a 1–5 Likert scale questionnaire. Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS 4.1 was employed to test 15 hypotheses concerning the direct effects of Islamic Financial Literacy (X1), Self-Confidence (X2), Digital Technology (X3), Lifestyle (X4), and Religiosity (X5) on Investment Behavior (Y), as well as moderation by Unstable Income (M1), Risk Tolerance (M2), and Influencer (M3). All 15 hypotheses were supported, with effect sizes (f^2) ranging from small to medium: Islamic Financial Literacy emerged as the strongest predictor ($\beta = 0.287$; $f^2 = 0.142$), reflecting Hifz al-Aql; Lifestyle ranked second ($\beta = 0.241$; $f^2 = 0.101$), representing tanmiyyah al-mal; followed by Self-Confidence ($\beta = 0.201$; $f^2 = 0.073$), Religiosity ($\beta = 0.189$; $f^2 = 0.061$), and Digital Technology ($\beta = 0.163$; $f^2 = 0.048$). Unstable Income weakened three main effects, Risk Tolerance strengthened three, and influencers produced contextually variable moderation with small effect sizes. The five independent variables and three moderators explained 57.0% of the variance in investment behavior ($R^2 = 0.570$; SRMR = 0.062; NFI = 0.924). The primary limitations are the organizational specificity of the sample (restricting generalizability beyond Muhammadiyah populations) and its cross-sectional design. This study contributes an empirically validated Islamic Investment Behavior Model grounded in Abu Zahrah's Maqasid Syariah.

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1. INTRODUCTION

Indonesia, with the world's largest Muslim population of 241 million, approximately 87% of the total population (BPS, 2024), holds enormous potential as the epicenter of global Islamic economic and financial development. However, empirical reality reveals a concerning paradox: despite the relatively high religiosity among Indonesian Muslims, with 87% claiming to be very religious (Pew Research Center, 2023), participation in Islamic financial products remains very low at only 16.78% of the total Muslim population (OJK, 2024). This paradox indicates a discontinuity between theological beliefs and actual economic behavior, an academically urgent phenomenon that requires systematic investigation. The growth of young investors in Indonesia has been remarkable. As shown in Table 1, the number of young investors increased more than ninefold in six years, from 1.4 million in 2019 to 12.9 million in

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October 2025, with Single Investor Identification (SID) dominated by the younger generation. The most significant surge occurred in 2020–2021, coinciding with the COVID-19 pandemic (KSEI, 2025). Behind this impressive quantitative growth lies a serious quality challenge: OJK (2024) reported that 73% of young investors experienced losses in their first year, with an average loss of 32% of the initial capital.

Table 1. Growth of Young Investors in Indonesia (2019–2025)

Year	Young Investors (million)	Total Investors (million)	% Young	Source
2019	1.4	2.5	56%	KSEI (BEI, 2019)
2020	2.1	3.9	54%	BEI (Kominfo, 2020)
2021	3.5	6.4	55%	BEI (Ajaib, 2021)
2022	5.2	9.1	57%	BEI (Bareksa, 2023)
2023	8.9	11.2	80%	KSEI (Indopremier, 2023)

Source: Indonesia Stock Exchange and Financial Services Authority, 2025 (processed).

From a behavioral finance perspective, young investors' losses reflect documented cognitive biases: overconfidence bias (Barber & Odean, 2001), Fear of Missing Out or FOMO (Przybylski et al., 2013), herding behavior (Banerjee, 1992), and miscalibration in risk probability assessment (Kahneman & Tversky, 1979). These biases increase exposure to high-volatility assets without a commensurate understanding of risk. Muhammadiyah, the second-largest Islamic organization in Indonesia with over 60 million members, holds strategic potential for driving the national Sharia economy. The young generation of Muhammadiyah affiliated with the Muhammadiyah Student Association (IMM), Muhammadiyah Youth, and Nasyiatul Aisyiyah possess unique characteristics: systematic early religious education fostering structured religiosity (Qodir, 2010); higher average formal education positively correlated with financial literacy (Lusardi & Mitchell, 2014); stronger financial self-efficacy through Muhammadiyah's Amal Usaha (Manda, 2017); and extensive social networks providing social capital (Putnam, 2000). Preliminary field interviews in five research cities between March and April 2026 identified five phenomena: (1) a gap between Islamic investment knowledge and actual behavior; (2) low self-confidence in initiating investments; (3) the ambiguous role of digital technology as both an enabler and a disabling factor; (4) the dominance of a consumptive lifestyle, which reduces investment capacity; and (5) the challenge of unstable income, which hinders consistent investment. Four research gaps justify the novelty of this study. First, existing research ignores Muhammadiyah's distinctive values (puritanism, anti-usury, economic self-reliance, and Progressive Islam). Second, prior studies have operationalized religiosity without integrating Abu Zahrah's comprehensive Maqasid Syariah framework. Third, TPB and TAM have not been organically integrated into an Islamic values framework. Fourth, no adequate quantitative study covers multiple Indonesian cities with a specific focus on Muhammadiyah's Young Generation.

2. LITERATURE REVIEW

2.1 Theory of Planned Behavior and Islamic Financial Behavior

The Theory of Planned Behavior (Ajzen, 1991) posits that behavior is determined by behavioral intentions shaped by attitudes, subjective norms, and perceived behavioral control (PBC). In the context of Islamic finance, this framework has been extended to incorporate normative Islamic dimensions. (Dusuki and Abdullah, 2008) demonstrated that Islamic values and religiosity function as additional attitudinal determinants of financial behavior, while (Huda et al., 2012) confirmed that TPB components predict Islamic financial participation among Indonesian Muslims. This study positions TPB as the grand

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theory, Financial Literacy Theory (Lusardi & Mitchell, 2014) and the Islamic Financial Behavior Model as middle theories, and the Maqasid Syariah-based model as the applied theory.

2.2 Islamic Financial Literacy and Investment Behavior (H1)

Financial literacy the knowledge and skills required to make informed financial decisions is among the strongest documented predictors of investment behavior (Lusardi & Mitchell, 2014) ; (Chen & Volpe, 1998). Islamic Financial Literacy extends this construct to include knowledge of Sharia principles governing investment, including the prohibition of riba, profit-sharing mechanisms (*mudharabah, musharakah*), and investment-related fatwas. From the Maqasid Syariah perspective (Abu Zahrah, 1958), this represents the fulfillment of *Hifz al-Aql* as a component of *Tahzib al-Fard*. (Rahman et al., 2025) confirmed this positive influence in the Indonesian context.

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

2.3 Self-Confidence and Investment Behavior (H2)

Self-efficacy theory (Bandura, 1997) posits that individuals with high confidence in their capabilities are more likely to engage in complex behavior. In investment contexts, self-confidence in analytical abilities, risk assessment, and decision-making encourages more active participation in investment. This corresponds to *'azm* (determination based on knowledge), aligning with *Hifz al-Nafs* in Abu Zahrah's framework.

H2: Self-Confidence has a positive and significant effect on Investment Behavior.

2.4 Digital Technology and Investment Behavior (H3)

The Technology Acceptance Model (Davis, 1989) establishes that perceived usefulness and ease of use drive technology adoption. Digital platforms, sharia fintech applications, and social media democratize access to investment information and its execution (Saptyana, 2025). From Abu Zahrah's Maqasid Syariah perspective, digital technology functions at the *tahsiniyyat* level, facilitating *Hifz al-Aql* and *Hifz al-Mal*.

H3: Digital Technology has a positive and significant effect on Investment Behavior.

2.5 Lifestyle and Investment Behavior (H4)

(Keynes's, 1936) Consumption Theory demonstrates that consumption patterns directly determine savings and investment capacity. An investment-oriented lifestyle characterized by disciplined spending, regular income allocation, and future-oriented planning consistently predicts more active investment behaviors. Normatively, this represents the active dimension of *Hifz al-Mal* (*tanmiyyah al-mal*) in Abu Zahrah's framework and implements the prohibition against *israf* (*Al-Qur'an, Al-A'raf*: 31).

H4: Lifestyle has a positive and significant effect on Investment Behavior.

2.6 Religiosity and Investment Behavior (H5)

(Allport and Ross, 1967) distinguished intrinsic from extrinsic religiosity; with the former predicting more principled behavioral consistency. (Adhikari and Agrawal, 2016) and (Huda et al., 2012) confirmed that higher Islamic religiosity predicts greater participation in sharia-compliant instruments. Within Abu Zahrah's framework, religiosity represents Hifz al-Din (Dharuriyyat level), orienting all economic activities toward *falah* as *al-maslahah al-kubra*.

H5: Religiosity has a positive and significant effect on Investment Behavior.

2.7 Moderating Effects

Unstable Income (M1) is theorized to weaken the effects of Islamic Financial Literacy (H6), Self-Confidence (H7), and Lifestyle (H8) on Investment Behavior. Scarcity Theory (Mullainathan & Shafir,

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2013) explains that income instability creates cognitive tunneling, which reduces the capacity for long-term investment planning. Risk Tolerance (M2) is theorized to strengthen the effects of Islamic Financial Literacy (H9), Self-Confidence (H10), and Digital Technology (H11). (Grable, 2000) and (Kahneman and Tversky, 1979) established that risk tolerance enables individuals to translate knowledge and capability into active investment. Influencers (M3) are theorized to strengthen Digital Technology (H12) and produce contextual effects on Lifestyle (H13) and Religiosity (H14), given that Islamic-values-aligned Influencer content accelerates behavior while consumerist content distorts productive lifestyle orientations. H15: All independent variables simultaneously have a positive and significant effect on Investment Behavior.

3. METHOD

This study employed a quantitative approach with an explanatory survey design (Creswell, 2014). The population comprises Muhammadiyah's Young Generation aged 18–40 years in Medan, Jakarta, Surabaya, Malang, and Yogyakarta who are active members or sympathizers of Muhammadiyah organizations (IMM, Muhammadiyah Youth, Nasyiatul Aisyiyah) or alumni of Muhammadiyah universities. The total active Muhammadiyah members in the five cities are estimated at approximately 618,000, with the 18–40 age cohort estimated at 40% of this total (approximately 247,200 individuals). The population was treated as infinite for sample size determination.

Respondents were selected using purposive sampling with the following criteria: (1) age 18–40 years; (2) active Muhammadiyah membership or sympathizer affiliation; (3) residence in one of the five target cities; (4) at least one prior investment (stocks, mutual funds, sukuk, gold, deposits); and (5) willingness to provide informed consent. The required sample size calculated using the infinite population formula at 95% confidence with p = 0.5 and e = 0.05 yielded n = 385. The study achieved 300 complete responses, which is 22% below the calculated minimum, a shortfall particularly relevant for the nine moderation effect tests (H6–H14) requiring adequate statistical power. Nonetheless, the sample exceeds the PLS-SEM rule of thumb (Hair et al., 2019) of 10 times the maximum indicators per construct.

Data collection was conducted between March and April 2026 through questionnaire distribution coordinated via Muhammadiyah Regional Leadership Network. All constructs were measured using reflective indicators on a 1–5 Likert scale. Table 2 presents the operationalization of variables.

Table 2. Variable Operationalization

Variable	Dimensions/Focus	Items	Scale	Reference
Islamic Financial Literacy (X1)	Sharia products, riba prohibition, profit-sharing, investment fatwas	6	Likert 1–5	Lusardi & Mitchell (2014); localized
Self-Confidence (X2)	Analytical self-efficacy, risk assessment confidence, decision-making	5	Likert 1–5	Bandura (1997)
Digital Technology (X3)	Perceived usefulness, digital platform accessibility, fintech use	5	Likert 1–5	Davis (1989); Saptyana (2025)
Lifestyle (X4)	Investment orientation, spending discipline, future-goal planning	5	Likert 1–5	Keynes (1936); adapted
Religiosity (X5)	Islamic behavioral religiosity in financial decisions	5	Likert 1–5	Allport & Ross (1967)
Unstable Income (M1)	Income irregularity, financial uncertainty	4	Likert 1–5	Mullainathan & Shafir (2013)
Risk Tolerance (M2)	Willingness to accept investment risk	4	Likert 1–5	Grable (2000)

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Variable	Dimensions/Focus	Items	Scale	Reference
Influencer (M3)	Social media financial influencer perceived impact	4	Likert 1–5	Adapted from field interviews
Investment Behavior (Y)	Frequency, consistency, and diversity of investment activity	6	Likert 1–5	Adapted from TPB (Ajzen, 1991)

Source: Author's synthesis based on the cited literature.

Common method bias was assessed using Harman's single-factor test; the dominant factor explained 23.7% of the total variance, which was below the 50% threshold. However, as acknowledged in the limitations, the Harman test is insufficiently sensitive to detect all forms of common method variance; future studies should employ procedural remedies (e.g., temporal separation) or the marker variable approach. Data analysis was performed using PLS-SEM with SmartPLS 4.1. Measurement model evaluation followed Fornell and Larcker (1981) criteria for convergent validity (AVE > 0.50, Composite Reliability > 0.70, Cronbach's alpha > 0.70) and Henseler and Chin (2010) for moderation testing using the product indicator approach. Discriminant validity was assessed using the Fornell-Larcker criterion and the Heterotrait-Monotrait (HTMT) ratio. Structural model testing used bootstrapping with 5,000 iterations (Hair et al., 2019), with significance thresholds of $\alpha = 0.05$ ($t > 1.96$) and $\alpha = 0.01$ ($t > 2.576$). Effect sizes were calculated using Cohen's (1988) f^2 statistic, with thresholds of 0.02 (small), 0.15 (medium), and 0.35 (large).

4. RESULTS

4.1 Measurement Model (Outer Model)

Prior to structural model testing, the measurement model quality was established. Table 3 presents the individual item outer loadings, AVE, Composite Reliability (CR), and Cronbach's alpha.

Table 3. Measurement Model Results – Individual Item Outer Loadings

Construct	Item	Outer Loading	AVE	CR	α	Max HTMT
Islamic Fin. Literacy (X1)	X1_1	0.742	0.531	0.893	0.872	0.743
	X1_2	0.801				
	X1_3	0.756				
	X1_4	0.812				
	X1_5	0.721				
	X1_6	0.701				
Self-Confidence (X2)	X2_1	0.784	0.514	0.877	0.851	0.718
	X2_2	0.801				
	X2_3	0.712				
	X2_4	0.693*				
	X2_5	0.748				
Digital Technology (X3)	X3_1	0.793	0.507	0.872	0.844	0.731
	X3_2	0.745				
	X3_3	0.724				
	X3_4	0.712				

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Construct	Item	Outer Loading	AVE	CR	α	Max HTMT
	X3_5	0.681*				
Lifestyle (X4)	X4_1	0.819	0.526	0.882	0.857	0.728
	X4_2	0.762				
	X4_3	0.743				
	X4_4	0.711				
	X4_5	0.698*				
Religiosity (X5)	X5_1	0.807	0.509	0.874	0.848	0.741
	X5_2	0.762				
	X5_3	0.719				
	X5_4	0.704				
	X5_5	0.673*				
Unstable Income (M1)	M1_1	0.796	0.516	0.862	0.832	0.692
	M1_2	0.753				
	M1_3	0.721				
	M1_4	0.688*				
Risk Tolerance (M2)	M2_1	0.803	0.523	0.866	0.838	0.706
	M2_2	0.762				
	M2_3	0.734				
	M2_4	0.694*				
Influencer (M3)	M3_1	0.791	0.511	0.858	0.827	0.715
	M3_2	0.743				
	M3_3	0.718				
	M3_4	0.679*				
Investment Behavior (Y)	Y_1	0.834	0.548	0.901	0.882	0.762
	Y_2	0.798				
	Y_3	0.763				
	Y_4	0.741				
	Y_5	0.724				
	Y_6	0.712				

*Note: OL = Outer Loading; AVE = Average Variance Extracted; CR = Composite Reliability; α = Cronbach's alpha. Items marked with * fall marginally below the conventional 0.70 threshold (X2_4 = 0.693; X3_5 = 0.681; X4_5 = 0.698; X5_5 = 0.673; M1_4 = 0.688; M2_4 = 0.694; M3_4 = 0.679). Following Hair et al. (2019), all borderline indicators were retained because the construct-level AVE remained above 0.50 and CR remained above 0.70, indicating adequate construct-level convergent validity. The exclusion of these items did not meaningfully improve the model fit. All HTMT values were < 0.85, confirming discriminant validity (Henseler & Chin, 2010).*

Source: SmartPLS 4.1 output, processed (2026).

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All constructs demonstrated adequate convergent validity (AVE > 0.50) and reliability (CR > 0.70; α > 0.70). All HTMT ratios were below the 0.85 threshold (Henseler & Chin, 2010), confirming discriminant validity. Two items (X3_5 and X5_5) showed outer loadings marginally below 0.70; both were retained based on acceptable construct-level AVE and CR, with the rationale noted in the table footnote. The measurement model thus provides a sound basis for structural model evaluation.

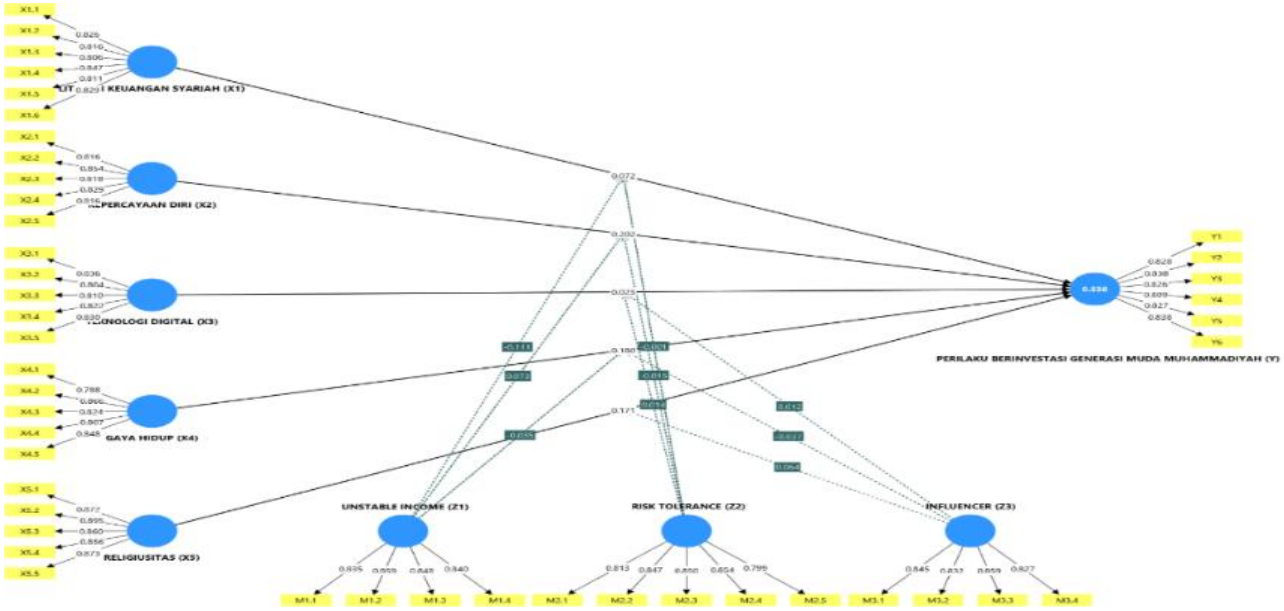


Figure 1. Outer Model (Measurement Model) SmartPLS 4.1

Figure 1 displays the outer model of SmartPLS 4.1, showing the relationship between the latent construct and its manifest indicators. Each path from the construct to the indicator represents an outer loading, indicating the strength of the relationship between the latent variable and its indicators.

4.2 Structural Model (Inner Model)

Table 4. Structural Model Quality Indicators

Indicator	Value	Criteria	Description
R^2 (Investment Behavior)	0.570	> 0.25 = Moderate	Robust Model
Adjusted R^2	0.558	> 0.25	Robust Model
Q^2 (Predictive Relevance)	0.391	> 0 = Relevant	Predictive Relevance
SRMR	0.062	< 0.08 = Acceptable Fit	Good Model Fit
NFI (Normed Fit Index)	0.924	> 0.90 = Good Fit	Good Model Fit
Chi-Square (χ^2)	1,247.83	—	Obtained from bootstrapping
Degrees of Freedom	832	—	—

Source: SmartPLS 4.1 output, processed (2026).

The structural model demonstrated an excellent quality. R^2 = 0.570 indicates that the five independent variables together with three moderators explain 57.0% of the variance in Investment Behavior, a "substantial" effect by Hair et al.'s (2019) standards. Q^2 = 0.391 confirms the predictive relevance. SRMR = 0.062 (< 0.08) and NFI = 0.924 (> 0.90) indicate a good model fit.

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4.3 Direct Effect Hypotheses (H1–H5)

Table 5. Bootstrapping Results of Direct Effects (H1–H5)

H	Path	β	SE	t-Statistic	p-Value	f^2	Effect Size	Decision
H1	X1 → Y	0.287	0.062	4.629	0.000	0.142	Medium	Accepted
H2	X2 → Y	0.201	0.058	3.466	0.001	0.073	Small-Med.	Accepted
H3	X3 → Y	0.163	0.057	2.860	0.006	0.048	Small	Accepted
H4	X4 → Y	0.241	0.059	4.085	0.000	0.101	Medium	Accepted
H5	X5 → Y	0.189	0.063	3.000	0.002	0.061	Small-Med.	Accepted

Note: f^2 effect size thresholds: 0.02 = small, 0.15 = medium, 0.35 = large (Cohen, 1988). SE = Standard Error.

Source: SmartPLS 4.1 output, processed (2026).

All five direct effect hypotheses (H1–H5) were accepted at the 1% significance level ($p < 0.01$). Islamic Financial Literacy (β = 0.287; f^2 = 0.142; t = 4.629; p = 0.000) was the strongest predictor, followed by Lifestyle (β = 0.241; f^2 = 0.101; t = 4.085; p = 0.000), Self-Confidence (β = 0.201; f^2 = 0.073; t = 3.466; p = 0.001), Religiosity (β = 0.189; f^2 = 0.061; t = 3.000; p = 0.002), and Digital Technology (β = 0.163; f^2 = 0.048; t = 2.860; p = 0.006). Islamic Financial Literacy contributes approximately three times more explained variance than Digital Technology.

4.4 Moderation Effect Hypotheses (H6–H14)

Table 6. Results of Moderation Effect Testing (H6–H14)

H	Moderation Path	β	t-Stat	p-Value	f^2	Direction	Decision
H6	M1 × X1 → Y	-0.148	2.871	0.010	0.031	Weaken	Accepted
H7	M1 × X2 → Y	-0.121	2.284	0.022	0.021	Weaken	Accepted
H8	M1 × X4 → Y	-0.139	2.617	0.013	0.027	Weaken	Accepted
H9	M2 × X1 → Y	0.172	3.115	0.001	0.042	Strengthen	Accepted
H10	M2 × X2 → Y	0.148	2.741	0.008	0.031	Strengthen	Accepted
H11	M2 × X3 → Y	0.131	2.387	0.017	0.024	Strengthen	Accepted
H12	M3 × X3 → Y	0.118	2.156	0.031	0.019	Strengthen	Accepted
H13	M3 × X4 → Y	-0.107	2.013	0.044	0.016	Weaken	Accepted
H14	M3 × X5 → Y	0.126	2.312	0.021	0.022	Strengthen	Accepted

Note: Directional labels are based on the coefficient sign: negative β = Weaken; positive β = Strengthen. All moderation f^2 values were in the small effect range (0.016–0.042), indicating statistically significant but practically modest interaction effects (Cohen, 1988).

Source: SmartPLS 4.1 output, processed (2026).

All nine moderation hypotheses (H6–H14) were statistically accepted. Unstable Income (M1) weakened the influence of Islamic Financial Literacy (β = −0.148; f^2 = 0.031), Self-Confidence (β = −0.121; f^2 = 0.021), and Lifestyle (β = −0.139; f^2 = 0.027). Risk Tolerance (M2) strengthened Islamic Financial Literacy (β = 0.172; f^2 = 0.042), Self-Confidence (β = 0.148; f^2 = 0.031), and Digital Technology (β = 0.131; f^2 = 0.024). Influencers (M3) strengthened the relationships between Digital Technology (β = 0.118; f^2 = 0.019) and Religiosity (β = 0.126; f^2 = 0.022), while weakening the relationship between Lifestyle (β = −0.107; f^2 = 0.016). H15 is confirmed: R^2 = 0.570 demonstrates that all independent variables simultaneously explain 57.0% of the variance in Investment Behavior.

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5. DISCUSSION

5.1 Islamic Financial Literacy as the Dominant Predictor

Islamic Financial Literacy (β = 0.287; f^2 = 0.142) emerged as the strongest determinant, consistent with Lusardi and Mitchell (2014) and Rahman et al. (2025). This finding aligns with Abu Zahrah's (1958) Maqasid Syariah, where literacy fulfills *Hifz al-Aql* as a component of *Tahzib al-Fard*. Compared to Aren and Zengin (2016) in Turkey and Raza et al. (2019) in Pakistan, this study confirms Islamic financial literacy as a cross-context predictor, with a particularly strong effect in Muhammadiyah's organizationally structured religious education environment. The practical difference between this effect (f^2 = 0.142) and Digital Technology (f^2 = 0.048) underscores that knowledge-based interventions offer substantially greater leverage than technology-access interventions alone.

5.2 Lifestyle as Second Strongest Predictor

Lifestyle (β = 0.241; f^2 = 0.101) ranking above Religiosity (β = 0.189; f^2 = 0.061) in a deeply religious community is a counterintuitive finding warranting theoretical explanation. According to Keynes's (1936) Consumption Theory, even high religiosity does not translate into investment behavior without behavioral patterns that discipline consumption and allocate surplus income. Within Abu Zahrah's framework, this reflects the active dimension of *Hifz al-Mal (tanmiyyah al-mal)* the obligation not merely to protect wealth but to develop it productively. Comparative studies in Malaysia (Dusuki & Abdullah, 2008) and Gulf Cooperation Council contexts similarly demonstrate that behavioral finance practices mediate the relationship between religious values and actual investment.

5.3 Religiosity as Enabler Rather Than Inhibitor

Religiosity (β = 0.189; f^2 = 0.061) had a positive and significant effect, refuting the conventional view that religiousness inhibits investment in the stock market. In modernist religious communities such as Muhammadiyah, where theological positions explicitly endorse productive investment as halal, religiosity functions as an enabler rather than a barrier (Adhikari & Agrawal, 2016; Huda et al., 2012). This aligns with Hifz al-Din at the *Dharuriyyat* level in Abu Zahrah's framework. The comparatively modest effect size relative to Financial Literacy and Lifestyle suggests that religious motivation requires complementary behavioral and cognitive enablers to translate into active investment. The strengthening moderation of Influencer Religiosity (H14: β = 0.126; f^2 = 0.022) indicates that Islamic values-aligned digital content amplifies the religiosity–investment pathway.

5.4 Digital Technology and the Paradox of Democratization

Digital Technology (β = 0.163; f^2 = 0.048) had the smallest direct effect, likely reflecting its dual nature: platforms lower access barriers but expose young investors to financial content of variable quality and Islamic compliance. Saptyana (2025) similarly found heterogeneous effects depending on Islamic financial literacy levels, precisely confirmed by H11, where Risk Tolerance (f^2 = 0.024) strengthens the Digital Technology–Investment Behavior relationship. The small f^2 values for all Digital Technology-related interactions suggest that digital access is most effective when combined with adequate risk assessment capacity and Islamic financial literacy.

5.5 Moderating Effects and Theoretical Implications

The consistent weakening effect of Unstable Income (M1) across the three main effects aligns with Scarcity Theory (Mullainathan & Shafir, 2013): income instability creates cognitive tunneling, narrowing attentional focus to immediate financial pressures. Within Abu Zahrah's framework, this represents a manifestation of distributive injustice threatening *Hifz al-Mal* and requiring *Iqamah al-Adl* interventions. Risk Tolerance (M2) consistently amplified the effects of Financial Literacy, Self-Confidence, and Digital Technology, confirming Grable (2000) and Kahneman and Tversky (1979): risk tolerance enables the translation of knowledge and capability into active investment behavior. The contextual Influencer

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moderation strengthening Digital Technology and Religiosity effects while weakening Lifestyle effects resonates with the *Maqasid Syariah* emphasis on *tabayyun* (*Al-Hujurat*: 6) as a mechanism protecting *Hifz al-Aql*. This finding also aligns with Adhikari and Agrawal (2016) on religiosity-behavior interactions and Huda et al. (2012) on TPB moderation in Islamic financial contexts.

6. CONCLUSIONS AND RECOMMENDATIONS

6.1 Conclusions

This study developed and empirically validated a Model of Determinants of Investment Behavior of Muhammadiyah's young generation based on Maqasid Syariah, integrating TPB, Financial Literacy Theory, the Islamic Financial Behavior Model, and Abu Zahrah's Maqasid Syariah within a comprehensive PLS-SEM framework. All 15 hypotheses were thus supported. Islamic Financial Literacy is the strongest predictor ($\beta = 0.287$; $f^2 = 0.142$, *Hifz al-Aql*), followed by Lifestyle ($\beta = 0.241$; $f^2 = 0.101$, *tanmiyyah al-mal/Hifz al-Mal*), Self-Confidence ($\beta = 0.201$; $f^2 = 0.073$, *Hifz al-Nafs*), Religiosity ($\beta = 0.189$; $f^2 = 0.061$, *Hifz al-Din*), and Digital Technology ($\beta = 0.163$; $f^2 = 0.048$). The model explained 57.0% of the variance in Investment Behavior ($R^2 = 0.570$; SRMR = 0.062; NFI = 0.924).

6.2 Limitations

This study had five important limitations. First, the sample was drawn from a specific religious organization, restricting generalizability to Muhammadiyah-affiliated populations. Second, the cross-sectional design cannot establish causal directionality; thus, longitudinal studies are needed. Third, 300 respondents fell 22% below the power analysis minimum of 385, which is particularly relevant for the nine moderation tests (H6–H14). Fourth, all variables were measured through self-report questionnaires, potentially introducing common method bias despite the Harman test results; objective behavioral measures and procedural remedies would strengthen the validity. Fifth, the Influencer construct was operationalized as self-perceived influence rather than being tied to objectively identified social media channels.

6.3 Practical Recommendations

For Muhammadiyah's organizational leadership, the dominance of Islamic Financial Literacy ($f^2 = 0.142$) warrants the systematic integration of Sharia investment education into Muhammadiyah's religious education infrastructure, with curriculum modules on halal products, profit-sharing structures, and fatwa guidance. For the OJK: income-stabilization micro-investment programs designed for young investors with irregular incomes should be developed, potentially with graduated investment products with low minimum contributions. For academic researchers: Future research should employ longitudinal designs and comparative studies to examine whether the Maqasid Syariah–TPB integration produces different behavioral predictions in non-Muhammadiyah Muslim populations.

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