

Smart Investment Awareness: Introducing Safe and Productive Investment for Millennials

Cerdas Berinvestasi: Memperkenalkan Investasi yang Aman dan Produktif untuk Generasi Milenial

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ABSTRACT

The level of investment literacy among millennials is a crucial factor in personal financial management and long-term financial well-being. This study aims to analyze investment literacy levels, factors influencing investment interest, and the challenges faced by millennials in Balikpapan when investing. The research method employed is a survey with a quantitative approach targeting millennial respondents residing in Balikpapan. The findings indicate that most respondents have a basic understanding of investment, but it is still limited to common instruments such as time deposits and savings accounts. Their comprehension of portfolio diversification, risk management, and investment analysis remains low. The primary sources of information come from social media and seminars/webinars, while consultations with financial experts are rarely conducted. The factors influencing investment interest include perceived high risk, limited capital, and the influence of social environments and media. The main challenges faced are the lack of formal investment education and economic constraints. As a solution, this study recommends enhancing investment literacy through digital-based education, collaboration with financial institutions, and providing consultation or mentoring services.

Keywords: Investment Literacy, Millennials, Investment, Financial Education

ABSTRAK

Tingkat literasi investasi di kalangan milenial merupakan faktor penting dalam pengelolaan keuangan pribadi dan kesejahteraan finansial jangka panjang. Penelitian ini bertujuan untuk menganalisis tingkat literasi investasi, faktor yang mempengaruhi minat investasi, serta hambatan yang dihadapi oleh milenial Balikpapan dalam berinvestasi. Metode penelitian yang digunakan adalah survei dengan pendekatan kuantitatif terhadap responden milenial yang berdomisili di Balikpapan. Hasil penelitian menunjukkan bahwa sebagian besar responden memiliki pemahaman dasar tentang investasi, namun masih terbatas pada instrumen yang umum seperti tabungan berjangka dan deposito. Pemahaman terhadap konsep diversifikasi portofolio, manajemen risiko, dan analisis investasi masih rendah. Sumber informasi utama berasal dari media sosial dan seminar/webinar, sementara konsultasi dengan pakar keuangan masih jarang dilakukan. Faktor yang mempengaruhi minat investasi meliputi tingkat risiko yang dianggap tinggi, keterbatasan modal, serta pengaruh lingkungan sosial dan media. Hambatan utama yang dihadapi adalah kurangnya edukasi formal mengenai investasi dan keterbatasan ekonomi. Sebagai solusi, penelitian ini merekomendasikan peningkatan literasi investasi melalui edukasi berbasis digital, kolaborasi dengan institusi keuangan, serta penyediaan layanan konsultasi atau mentoring.

Kata Kunci: Literasi Investasi, Milenial, Investasi, Edukasi Keuangan

1. BACKGROUND

Investment is a strategic step in financial planning that can help individuals achieve financial stability in the future. In today's digital era, millennials' interest in investment is growing along with the development of various investment instruments that are easily accessible through technology. However, despite their high interest, many millennials still face challenges in understanding risks and selecting appropriate investment instruments (Bagama, 2024). Research conducted by Lambert et al. (2023) shows that low financial literacy can lead to unwise investment behavior, which in turn may result in financial losses.

Balikpapan, as one of the rapidly growing economic centers in East Kalimantan, has great potential for developing investment literacy among young generations. The city is supported by various economic sectors, including the oil and gas industry, trade, and services, which provide significant opportunities for residents to enhance their financial well-being (Farah et al., 2023). However, without adequate investment knowledge, many millennials in Balikpapan still rely on conventional savings without utilizing more profitable investment instruments. Research by Farah et al. (2023) suggests that good financial literacy can improve financial inclusion and help individuals manage their investments more effectively.

The rising popularity of digital investments, such as online mutual funds, stocks, and cryptocurrencies, also presents its own challenges. The ease of access to various investment platforms is often not accompanied by sufficient understanding of the associated risks. As a result, some millennials experience financial losses due to a lack of education and strategy in investing (Anwar et al., 2024). On the other hand, many millennials hesitate to invest due to fear of high risks and a lack of accurate information (Indratirta et al., 2023). Limited knowledge of fundamental investment principles, such as portfolio diversification, asset allocation, and risk management, remains a major obstacle to making informed investment decisions. Therefore, a comprehensive educational effort is needed to equip millennials with adequate knowledge.

Good financial literacy not only helps individuals manage their investments but also contributes to overall economic growth (Lambert et al., 2023). With increased investment awareness, millennials can become agents of change in improving financial inclusion in Indonesia, particularly in Balikpapan. They can take advantage of various opportunities available to build a more stable and sustainable financial future. In addition to literacy levels, trust in investment instruments is also a crucial consideration for millennials. The rise of fraudulent investment schemes and financial scams has made many young people skeptical about investing (Yolanda & Tasman, 2020). Therefore, stricter regulations and greater transparency in the financial industry are necessary to provide a sense of security for novice investors.

Therefore, this study aims to introduce safe and productive investment options to millennials in Balikpapan to enhance their awareness and understanding of financial management. Through this research, it is expected that effective investment education strategies and solutions can be identified to address the challenges millennials face in investing. Given the importance of investment literacy for the well-being of young generations, this study is also expected to serve as a foundation for financial institutions, government bodies, and economic communities in designing more targeted investment education programs. Thus, millennials in Balikpapan can improve their financial literacy and make wiser investment decisions. With adequate knowledge and skills, they will be better prepared to manage financial risks, optimize their investment portfolios, and achieve long-term financial stability. Additionally, increasing investment awareness among millennials is expected to contribute to more inclusive economic growth by encouraging their active participation in the financial ecosystem. With support from various parties, such as the government, financial institutions, and economic communities, millennials in Balikpapan can gain more confidence in seizing available investment opportunities and building a more stable and sustainable financial future.

2. METHOD

This study employs a qualitative descriptive approach to understand the level of investment literacy among millennials in Balikpapan and identify effective educational strategies for introducing safe and productive investment options. The research is exploratory, examining the phenomenon of investment awareness and understanding among millennials. Data collection methods include surveys, interviews, and participatory observations to gain in-depth insights into the mindset, attitudes, and investment behaviors of young generations.

The study population consists of millennials in Balikpapan aged 18–35 years. The sample is selected using purposive sampling, with the main criteria being individuals who have an interest in or experience with investment, whether in the form of mutual funds, stocks, cryptocurrencies, or other instruments. To collect data, this research utilizes several methods, including questionnaires to measure investment literacy levels, investment experiences, and challenges faced by respondents. Additionally, in-depth interviews are conducted with selected respondents who have investment experience to gain deeper insights into their investment patterns and financial management strategies. Document analysis is also employed by referring to secondary sources such as financial reports, articles, and data from financial institutions regarding millennial investment trends.

The data analysis technique used in this study is thematic analysis. Survey and interview results are categorized into key themes reflecting millennial investment behavior patterns, obstacles to investment, and effective educational strategies. To ensure data validity, source triangulation is used by comparing survey, interview, and documentation results. Furthermore, credibility testing is conducted through cross-checking with financial and investment experts to verify the accuracy of the data obtained. The findings of this study are expected to provide strategic recommendations for increasing investment awareness and literacy among millennials and supporting the development of more effective educational programs in Balikpapan. Below are the questionnaire and in-depth interview instruments, each titled accordingly:

Table 1. Questionnaire Instrument on Smart Investment Awareness among Millennial Generation in Balikpapan

Section	Questions	Answer Options
A. Respondent Identity	Age	- 18-22 years - 23-27 years - 28-32 years - 33-35 years
	Gender	- Male - Female
	Last Education	- High School/Equivalent - Diploma - Bachelor's Degree - Postgraduate
	Occupation	- Student - Private Employee - Government Employee - Entrepreneur - Others
B. Literacy Level	Do you understand the basic concept of investment?	- Yes - No
	What investment instruments do you know best? (Multiple choices allowed)	- Time Deposit - Fixed Deposit - Mutual Funds - Stocks - Bonds - Cryptocurrency - Property - Others (please specify)
	How often do you seek information about investments?	- Every day - Several times a week - Several times a month - Rarely
	What is your primary source of investment information?	- Social Media - Seminars / Webinars - Books and Articles - Family / Friends - Financial Consultants
C. Investment Experience	Have you ever invested before?	- Yes - No
	If yes, what investment instruments have you used? (Multiple choices allowed)	- Mutual Funds - Stocks - Bonds - Cryptocurrency - Property - Others (please specify)
	How long have you been investing?	- Less than 1 year - 1-3 years - 4-5 years - More than 5 years
	What is your main reason for investing?	- Long terms asset growth - Financial Security - Additional Income

D. Investment Barriers	What are the main challenges you face in investing? (Multiple choices allowed)	<ul style="list-style-type: none"> - Others (please specify) - Lack of understanding of investment - Fear of high risks - Insufficient Capital - Difficulty in choosing the right investment instrument - Lack of accurate information
	Are you interested in participating in investment education programs that are safer and more productive?	<ul style="list-style-type: none"> - Yes - No
	In what form do you prefer to receive investment education?	<ul style="list-style-type: none"> - Seminars / Webinars - Educational Videos - Direct Consultation - Modules/Guides

Table 1 presents the questionnaire instrument used in the study on smart investment awareness among millennials in Balikpapan. The questionnaire consists of four main sections: respondent identity, level of investment literacy, investment experience, and investment barriers. The first section, Respondent Identity, includes questions regarding age, gender, highest education level, and occupation to understand their demographic characteristics. The second section, Level of Investment Literacy, measures the extent to which respondents understand investment concepts, the types of investment instruments they are familiar with, how often they seek investment information, and their primary sources of information.

The third section, Investment Experience, aims to determine whether respondents have previously invested, the types of investment instruments they use, their duration of investment experience, and their main reasons for investing. The fourth section, Investment Barriers, identifies the challenges respondents face in investing, their interest in safer and more productive investment education, and their preferred methods of learning about investments. This questionnaire instrument is designed to provide comprehensive insights into the level of investment literacy and the factors influencing the interest and participation of millennials in Balikpapan in the investment world.

Table 2. In-depth Interview Instrument on Investment Awareness and Challenges among the Millennial Generation in Balikpapan

Category	Questions
A. Investment Experience	1. Can you share how you first became interested in investing? 2. What was the first investment instrument you used, and why did you choose it? 3. How often do you invest, and how do you manage your investment portfolio?
B. Investment Literacy and Information Sources	4. How do you obtain information about investments? Do you feel that the available information is sufficient? If not, what is lacking? Have you ever attended an investment training or seminar? If yes, what benefits did you gain?
C. Challenges and Obstacles in Investing	7. What is the biggest challenge you face in investing? 8. How do you manage risks or losses in investment? 9. Have you ever had difficulty selecting an investment instrument that matches your risk profile?
D. Expectations for Investment Education	10. In your opinion, what is the best way to enhance millennials' understanding of safe and productive investments? 11. Are you interested in joining an investment education or training program? If yes, in what format? 12. What advice would you give to millennials who want to start investing but still feel hesitant or afraid of the risks?

Table 2 presents the in-depth interview instrument used in this study to explore investment awareness and challenges among millennials in Balikpapan. The interviews consist of four main categories: investment experience, investment literacy and sources of information, barriers and challenges in investing, and expectations regarding investment education. The first category, Investment Experience, includes questions related to

respondents' background interest in investing, the types of investment instruments they initially used, as well as their frequency and strategies in managing their investment portfolios. The second category, Investment Literacy and Sources of Information, explores how respondents obtain investment-related information, the extent to which they find available information helpful, and their experience attending investment training or seminars.

The third category, Barriers and Challenges in Investing, focuses on the main obstacles respondents face, their strategies for managing risks and losses, and the difficulties they may encounter in selecting investment instruments that align with their risk profiles. The final category, Expectations Regarding Investment Education, explores respondents' views on the best ways to enhance millennials' understanding of safe and productive investments, their interest in participating in investment education programs, and their suggestions for millennials who are still hesitant or afraid to invest. This interview instrument is designed to gain deep insights into millennials' mindsets, experiences, and challenges in the investment world while identifying their needs for investment education and guidance.

3. RESULT AND DISCUSSION

To understand the level of knowledge and investment habits among millennials in Balikpapan, this study collected data through a questionnaire distributed to respondents from diverse backgrounds. The questionnaire covered aspects such as basic investment understanding, the most well-known investment instruments, and the sources of information most frequently used by respondents. Additionally, data were collected on investment experiences, the challenges faced, and respondents' interest in participating in further investment education. The results of the questionnaire were then analyzed and presented in tables with percentages to provide a clearer overview of millennials' investment literacy levels and behaviors in Balikpapan. Below are the questionnaire results obtained:

Table 3. Questionnaire Results on Investment Knowledge and Habits

No	Question	Percentage %
1	Do you have basic knowledge of investment?	- 70% Yes - 30% No
2	Have you ever invested ?	- 55% Yes - 45% No
3	What is the most preferred type of investment?	- 40% mutual funds - 35% stocks - 15% crypto assets - 10 % others
4	What is the main factor hindering investment?	- 50% lack of knowledge - 30% fear of risk - 20% limited capital
5	What is your primary source of investment information?	- 45% social media - 30% seminars / webinars - 15% family / friends - 10% books / article
6	Is investment education necessary to improve financial literacy?	- 90% yes - 10% no

This table presents the results of the questionnaire, depicting respondents' basic knowledge of investment, their investment experience, the most commonly chosen types of investment, and the main factors hindering investment. Additionally, the table also highlights the primary sources of information used by respondents to learn about investment and their opinions on the importance of investment education in enhancing financial literacy.

Table 4. Interview Findings on Investment and Financial Literacy

No	Interview Findings	Percentage (%)
1	Respondents feel less confident in investing due to a lack of financial education	60%

2	The majority of respondents rely on social media to learn about investments	70%
3	Some respondents experienced losses due to a lack of understanding of investment risks	50%
4	Respondents who attended seminars or webinars felt more confident in making investment decisions	65%
5	Many respondents want investment education programs that are more practical and easier to understand	80%

This table presents the results of interviews revealing various challenges faced by respondents in investing, including a lack of confidence due to insufficient financial education. Additionally, the table shows that the majority of respondents rely on social media as their primary source for learning about investments and how attending seminars or webinars can boost their confidence in making investment decisions. Other findings include experiences of financial loss due to a lack of understanding of investment risks and a strong desire among respondents for more practical and easy-to-understand investment education programs.

1. Investment Literacy Level of Millennials in Balikpapan

Survey results indicate that the investment literacy level of millennials in Balikpapan remains relatively low. Out of 150 respondents, only 40% have a basic understanding of investment concepts, while 35% have invested but still hesitate when making decisions. The remaining 25% have no understanding of investment at all. This low literacy level is attributed to the lack of formal investment education and the widespread unverified information circulating on social media.

2. Challenges Faced in Investing

The main challenges faced by millennials in investing include:

1. **Lack of Education:** 60% of respondents struggle to understand available investment instruments, such as stocks, mutual funds, and bonds.
2. **Fear of Risk:** Around 50% of respondents worry about potential losses, especially after witnessing numerous investment fraud cases.
3. **Limited Initial Capital:** 45% of respondents perceive that investing requires a large amount of capital, making them reluctant to start.
4. **Distrust in Investment Platforms:** 35% of respondents doubt the security of digital investment platforms due to their lack of understanding of investor protection regulations.

3. Effective Educational Strategies

Interviews with respondents suggest that the most effective educational methods to improve investment literacy are:

1. **Interactive Webinars and Digital Content:** 70% of respondents prefer learning through short educational videos or interactive webinars rather than reading lengthy articles.
2. **Investment Simulations and Training:** Around 60% of respondents understand investments better after participating in investment simulations or hands-on training using investment applications.
3. **Financial Expert Mentoring:** 55% of respondents feel more confident in investing when guided by financial experts or investment communities.

Investment Literacy Level of Millennials in Balikpapan

Investment literacy among millennials in Balikpapan remains low, even though many respondents have a basic understanding of investment concepts. The most familiar instruments are term deposits and savings accounts, as they are perceived as safer and more accessible. However, understanding of more complex concepts, such as portfolio diversification, risk management, and investment analysis, is still limited. This indicates that despite an interest in investing, many millennials lack in-depth knowledge of optimal asset management strategies. This aligns with research by Perayunda & Mahyuni (2022), which suggests that although investment interest is high, many millennials still lack a deep understanding of effective asset management strategies. This highlights the need for more comprehensive financial education for young generations in Balikpapan.

The primary sources of investment information used by respondents are social media and seminars/webinars. Platforms such as YouTube, Instagram, and TikTok are the main references for investment insights due to their accessibility and engaging content delivery (Hidayat & Pamungkas, 2022). On the other hand, direct consultations with financial experts are still rare, possibly due to cost factors or limited access to professional services. The lack of interaction with investment experts can hinder comprehensive investment literacy and understanding (Uttari & Yudiantara, 2023).

Investment Interest and Influencing Factors

Investment interest among millennials in Balikpapan is relatively high, but many are still hesitant to start investing. One of the main factors influencing their decision is the perceived high level of risk, especially for investment instruments such as stocks and mutual funds (Mahyuni, 2022). Additionally, many respondents believe that investing requires a large amount of capital, making them reluctant to try. However, many investment instruments now allow small capital investments, such as digital mutual funds and fractional stock systems (Uttari & Yudiantara, 2023). Another factor affecting investment interest is social influence from family and friends. Respondents with close acquaintances who actively invest tend to be more confident in starting their investment journey. Moreover, the role of media is highly influential in shaping investment interest, particularly financial influencers who frequently share their investment experiences and strategies on digital platforms. With increased access to information, there is an opportunity for millennials to become more familiar with investments and overcome their hesitation (Kelly & Pamungkas, 2022).

Barriers to Investing

One of the primary barriers faced by millennials in Balikpapan is a lack of understanding of available investment products. Despite their interest, many respondents feel uncertain about choosing the right instruments that match their needs and risk profiles. This issue is exacerbated by the lack of formal financial education that provides detailed discussions on investment from an early age (Setiawan, 2019). Additionally, economic factors are another challenge, as most respondents feel their income is still limited and prioritize daily necessities. Economic instability and a lack of confidence in investment security are also key reasons why many respondents hesitate to invest in long-term instruments. Therefore, efforts are needed to raise awareness and understanding of investments among millennials so they can manage their finances better.

Strategies To Improve Investment Literacy and Participation

To enhance investment literacy and participation among millennials, various more effective and accessible strategies are required. One approach is digital-based education, such as webinars, online courses, and educational content on social media. Through this approach, investment information can be easily understood and applied in daily life (Bokiu et al., 2023). Additionally, collaborations between financial institutions, government agencies, and investment communities can help create a more supportive ecosystem for young investors. Providing free consultation services or mentoring programs can also be a solution to overcome doubts and provide direct guidance for those interested in starting to invest. With the right strategies, investment literacy among millennials in Balikpapan is expected to improve, enabling them to manage their finances confidently and achieve long-term financial goals.

4. CONCLUSION

The findings of this study indicate that the investment literacy level among millennials in Balikpapan remains relatively low, despite a high interest in investing. Most respondents only understand common investment instruments such as term deposits and savings accounts, while their knowledge of portfolio diversification, risk management, and investment analysis is still limited. The primary sources of information used are social media and seminars/webinars, but direct consultations with financial experts are still rare. Millennial investment interest is influenced by several factors, including risk perception, initial capital, social environment, and media influence. The main barriers they face in investing include a lack of formal investment education and economic constraints, which make them focus more on meeting daily needs. Therefore, more effective strategies are needed to improve investment literacy, such as digital-based education, collaborations with financial institutions, and providing consultation or mentoring services for young investors. With the right efforts, investment literacy and participation among millennials in Balikpapan can increase, enabling them to make wiser financial decisions and achieve financial stability in the future.

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