



The Public Interest of Tegal in Stock Investment during the Covid-19 Pandemic

Asyifa Maulida

Accounting Study Program, Politeknik Harapan Bersama

asyifamdla@gmail.com

Iswatun Khasanah

Accounting Study Program, Politeknik Harapan Bersama

lkhasanah99@gmail.com

Yonif Mayoma

Informatic Engineering Study Program, Politeknik Harapan Bersama

mayomayonif04@gmail.com

Abstract

The Covid-19 pandemic is an outbreak that affects sectors of the economy, including stock investments. The purpose of this study was to determine the public interest of Tegal City in stock investment during the Covid-19 pandemic and provide overview or education related to stock investment in the people of Tegal City thus public can understand the stock as a whole. Data collection techniques by conducting surveys, literature studies and in-depth interviews. The population in this study was the entire people of Tegal city. This study used cluster sampling with a total of 152 respondents. The data analysis method used was descriptive statistical analysis, validity test, reliability test, normality test and simple linear regression analysis. The educational scheme implemented was to apply conceptual learning associated with the context of experience to help public understand and outline viewpoints related to stock investment. The conclusion is that the public interest of the Tegal City had significant influence on stock investment during the Covid-19 pandemic. Educational scheme was implemented by applying conceptual learning that is associated with experiential.

Keywords: Covid-19 Pandemic, Public Interest, Stock Investment

INTRODUCTION

Investment is a commitment of money or capital for the purchase of financial instruments or other assets to regain profits in the form of dividends or interest. Currently there are various types of investments available in Indonesia, one of which is stock investment or often referred to as the capital market. For the country economy, there are two functions that capital markets have a definitely important market. First, the capital market as a means for people to invest in financial instruments. Second, capital market as a means for business funding or as a means to receive funds from the financier community (investors). The participation of the investor community through capital market instruments becomes a common hope to contribute to economic development nationally (Idx.co.id).

According to the 2017 Global Investor Study, older generations have a higher tendency to invest ready-to-spend income in securities than millennials and they tend to be more risk-taking

(Schoders, 2017). However, HSBC Media Advisory in 2017 conducted a survey involving 18.000 respondents from 16 countries (including Indonesia), the result which said millennials are more willing to take a risk in investing. 39% of millennials are very interested in taking risky investments to ensure their financial condition is stable.

According to (Ayub, 2013), the knowledge of some ordinary people related to the world of investment in the Indonesian capital market, causing wrong perceptions. When a person intended to invest in the capital market with minimal knowledge about investment, the person has a greater tendency to fall into fraudulent investments or fraud so that they will feel aggrieved. Therefore, investment knowledge is definitely important for the people of Indonesia so that they are no longer worried or experiencing fraud and can feel safe in investing.

Previous research conducted by (Winantyo, 2017) and (Adha, 2016) showed that motivation and investment knowledge affect students' investment interests while risk preferences have no effect on students' investing interests. Different from previous studies, the study focused on women as a sample of research. Based on the number of investors in the Indonesian Capital Market, individual SID (Single Investor Identification) is dominated by male investors as much as 59% while female investors are part of the minority even though investment is definitely important for women. Today's women have been educated even up to the undergraduate level. The knowledge obtained cannot be used optimally when a woman decides to only be a housewife.

The Covid-19 pandemic is an outbreak that has hit more than 150 countries around the world, according to the World Health Organization (WHO). It is still unknown when the pandemic will end and how the economic impact will remain difficult to predict. In a community environment, pandemics change perspectives and behaviors and the number of activities that are moved from direct interaction to network interaction.

Before the pandemic, there were still many people who were reluctant to glance at stock investments. Pandemics make people have difficulties, especially in the economy. Online Investments with online based become one of the public's choice to earn additional income. With the number of spread how to learn stock investment on the internet, making people in large numbers flock to register stock account accounts in securities to start making investments.

Reporting from the Indonesia Stock Exchange, there has been an increase in the number of Single Investor Identification (SID) or single identity of investors since the beginning of the year. The number of investors increased by 56 percent or 3.87 million SID (Merdeka, 2021). Because of that number, stock investors also rise by 1.68 million SID. This increase is quite significant. Thus it can be concluded that there is an increase in public interest in stock investment. Therefore, the research team was interested in conducting research on public interest in stock investment in the Covid-19 pandemic.

Based on pre research on Tegal city can be inform that many people in Tegal City not looked at investing in stock instruments. This is due to low knowledge of people in Tegal regarding investment in the capital market. The low level literacy about capital market is related to the existence of inaccurate understanding and perceptions. Many frauds in stock investment that happens so that money invested in the capital market can be lost. In addition, general people consider that transaction in the capital market require large capital. While large capital is only owned by the rich people. (Parwati, K.S.M., dkk, 2022). This is also reinforced by the results of interviews with the head offices of Phillip Securities and Sinarmas Securities in Tegal that many people do not know how to invest in stocks, both how to open an account, buy and sell shares and how to analyze good issuers.

Tambunan (2020) said that research on the stock market was carried out by an expert on world stock market, Phil Town. Phil (2020) said during the Covid-19 pandemic is the most appropriate time to invest/buy shares where many people sell shares so the stock price is definitely cheap. However, based on facts in Tegal, there are still many people in Tegal who have not invested in stocks.

Based on the description above, this study was conducted with the aim to determine the public interest Tegal in stock investment during the Covid-19 pandemic and provide overview or education related to stock investment in the people of Tegal City thus public can understand the stock as a whole.

THEORETICAL FRAMEWORK

Public Interest

According to Crow in (Suharyat, 2009), interest is an attitude encouragement tends to be interested in behavior, people, or objects in the form of effective experiences encouraged by activity itself. Interest has a major impact on behavior and attitudes. So, it can be said that interest is a source of motivation that encourages individuals to do the activities they want, according to Hurlock in (Kurniatiningsih, 2015).

There are several factors that influence the formation of interest, including the following:

1. Push Factor
This factor of encouragement is a factor that arises or is present from within yourself.
2. Social Motive Factors
Social motive factor is a factor to carry out an activity in order to be accepted and also recognized by the environment. Such interests are a kind of compromise on the part of the individual with his social environment.
3. Emotional Factors
Emotional factors are complex factors because they directly accompany a person who deals with objects and interests.

There are three characteristics of interest, including the following:

1. Interest provides rise to a positive attitude of an object.
2. This interest is something that is fun and also arises from an object.
3. This interest contains an element of appreciation, resulting in a desire, and also excitement to receive something desired.

Stock Investment

Investment is the placement of a number of funds in the hope of maintaining, raising value, or providing positive returns. Stock investment is an investment activity by purchasing several shareholdings in a company listed on the Indonesia Stock Exchange. The purpose of investing in stock is to fund the needs and support the course of the economy so as to provide benefits for investors. Investment is a form of delay in current consumption to obtain consumption in the future, where there is an element of uncertainty risk thus compensation is required for the delay (Martalena & Maya, 2011).

As for the reasons behind why someone makes an investment:

- a. Receive the greatest profit
Fundamentally, a person made an investment expects the greatest profit from the money invested in a business in accordance with expectations. In spite of what is expected is not

always true or vice versa. At first, people should recognize the needs and reason for investing so that they do not fall into fake investment.

b. Guarantee of future conditions

Everyone's ability to meet basic requires is not the same. However, require to consume a person tends to often ignore his income which results in economic decline in his family life. So, you should plan the concept of life by not being wasteful, diligently saving, looking for additional income, to ensure the survival of the family in the future by investing.

c. Hedging

Value protection means an investment made to reduce the risk of other investments. It is necessary to anticipate when there is a fluctuating value to the investment, to be able to back up with other investments that have a relatively stable value.

d. Passive income

Passive income can be interpreted as the condition of a person making investments and receiving results gradually (periodically) and continue (continuously). If a person wants to take advantage of the rest of his life by doing whatever activities he/she likes and wants without feeling anxious and worried about income for everyday life when he/she is still productive or unproductive, permit the person invest.

e. Planning embodies desire

To realize the desire, it requires a very large cost that may not be able to be purchased or realized with the current income or income conditions. For this reason, the person starts investing. Because one way to make an investment is to hold the current consumption to receive the things you want in the future.

RESEARCH METHOD

Research Stage

The stage in this research is to use a quantitative approach. Quantitative approach is used on the basis of research focusing more on data that are descriptive. The model in this study is carried out with a procedural development model or carried out through several stages such as the following images:

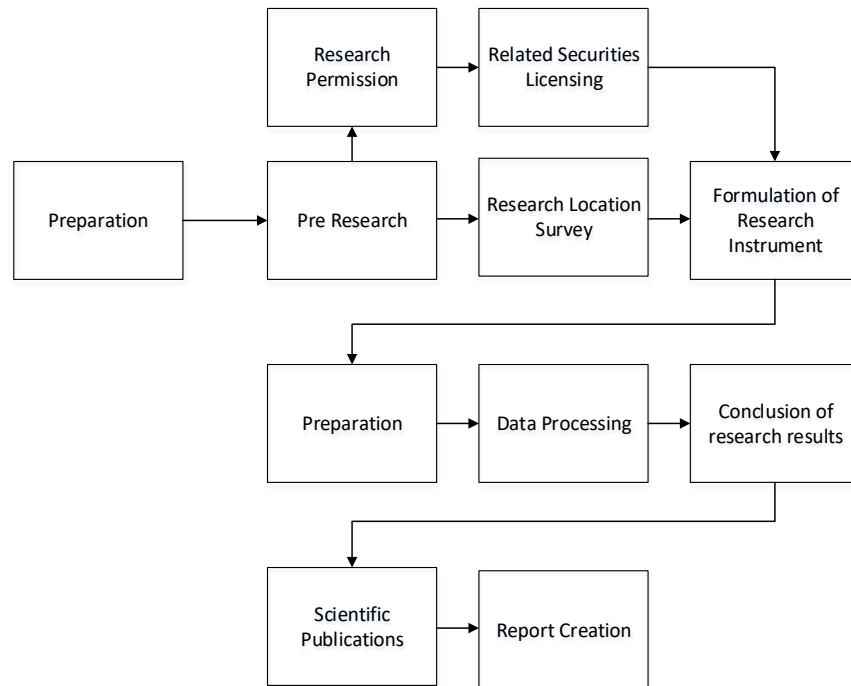


Figure 1 Research Stages and Procedures

Source: processed data, 2021

The research stages are described in the following:

a. Preparation

In the preparation stage, there was things that require to be prepared by the research team, namely the coordination of the research team to plan the implementation of research conceptually, operationally, the division of each member's duties, the preparation of research instruments, namely observation questions, questionnaires, location surveys and research objects, documentation and so on. In addition, before the implementation of the activity, the research team has obtained securities permits in the Tegal area (Sinarmas Securitas, Philips Securitas) for observation and questionnaires to respondents (community and customers), interviews and library studies to obtain research data as the target of the implementation of activities.

b. Creating of Research Instruments

Creating of research instruments conducted by the team in the form of questions as guidelines in conducting observations, interviews, and questionnaires.

c. Implementation of Research

The first stage, conduct pre-research by giving short questions about investment to the community in the Politeknik Harapan Bersama and family.

The second stage, conducting observations and interviews and with securities to obtain information and data needed for research.

The third stage, conducting observations and interviews, as well as providing questionnaires to the surrounding Tegal community and securities customers to obtain the information and data needed for research.

The fourth stage is the study of documentation of records and documents to obtain the information and data needed for research.

- d. **Data Processing**
Data obtained from the results of research, both from observations, interviews, questionnaires and literature studies all the data will be processed into one intact data. This data processing is carried out by a team of researchers.
- e. **Data Analysis**
The data collected will then be processed using SPSS Statistic 22 to test validity, reliability, normality and simple linear regression analysis.

Data Collection Techniques

To receive the data or information needed in this study, the research method used by researchers is to conduct surveys, in-depth interviews and literature studies.

Population and Sample

The population in this study is the entire community of Tegal city with reference to (BPS Kota Tegal (2021) data which is 273,825 people. While the sample in this study uses cluster sampling technique. Cluster sampling technique is randomization of a group, not individual subjects (Burhanudin, dkk 2021). This sampling was done by distributing questionnaires to the community in Tegal City, namely the Phillip community, ISP community and Sinarmas community so that 152 respondents were obtained.

Data Analysis Techniques

The analytical techniques used in this study are descriptive statistical analysis, validity test, reliability test, normality test, and simple regression linear analysis. All types of tests will be described in table 3.1:

Table 1. Explanation of Research Test

| Type of Test | Purpose | Result |
|-----------------------------------|--|---|
| Descriptive statistical analysis | Analyze the respondent's personal data. | Description of respondents' self-data based on gender, age, education and domicile. |
| Validity test | To test the validity of the Questionnaire. | It is said to be valid if the value r calculates $> r$ of the table with an alpha value of 0,05. |
| Reliability test | To test the reliability of a questionnaire. | It is said to be reliable if the value of Cronbach alpha $> 0,60$. |
| Normality test | To test normal distributed data or not. | Asymp value. 2-tailed $> 0,05$. |
| Simple linear regression analysis | To determine the effect of one variable on another variable. | Regression equation, t test and coefficient of determination value ($Adj R^2$). There is an influence between variables if the value t calculates $> t$ of the table with an alpha value of 0,05. |

Source: processed data, 2021

RESULT AND DISCUSSION

Research Results

Descriptive Statistical Analysis

Based on the data that has been processed demonstrates the gender, age, education and domicile of respondents in the following graphic image:

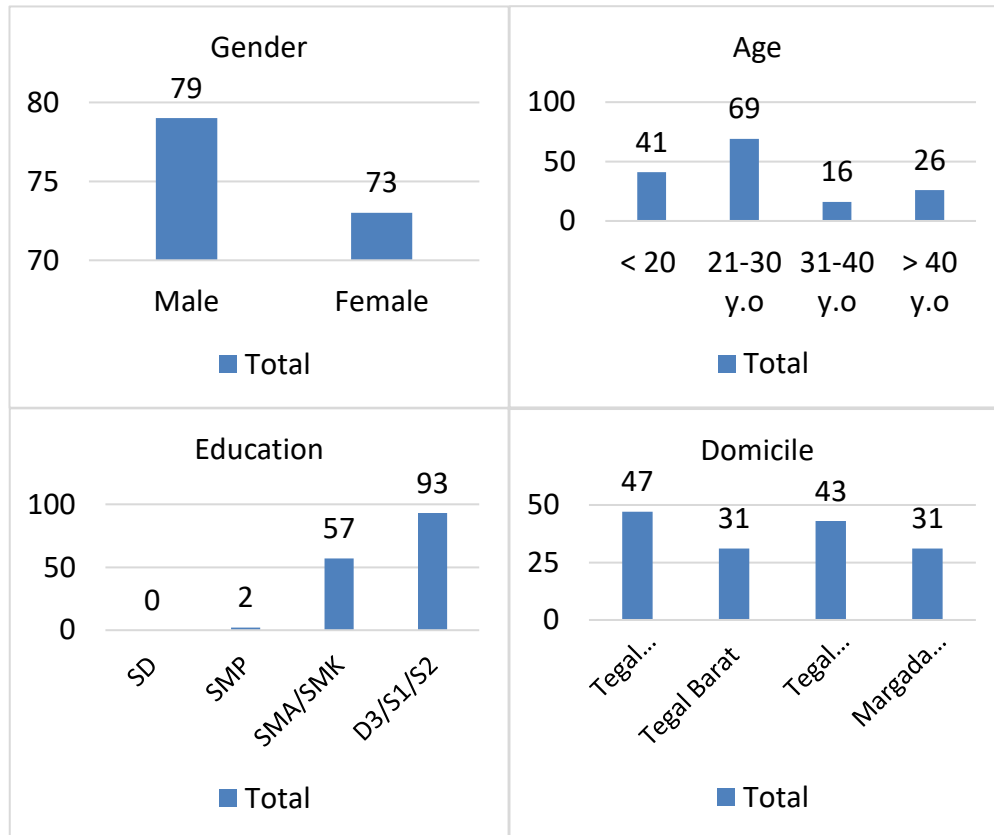


Figure 2. Gender, Age, Education, and Domicile Respondents

Source: processed data, 2021

Based on figure 2 explained that the most respondents who filled out the questionnaire were male respondents, which was 79 people, with the majority of the age between 21 to 30 years. While at the level of education and domicile, the majority of respondents came from the D3/S1/S2 education level and domiciled from South Tegal.

Validity Test

According to processed data, the results of the validity test are presented in the form of the following table 2:

Table 2 Validity Test Result

| No | r values calculates | r _{tabel} | Description |
|--------------------------------------|---------------------|--------------------|-------------|
| Public Interest Variable (X) | | | |
| X1 | 0,558 | 0,1593 | Valid |
| X2 | 0,582 | 0,1593 | Valid |
| X3 | 0,595 | 0,1593 | Valid |
| X4 | 0,614 | 0,1593 | Valid |
| X5 | 0,542 | 0,1593 | Valid |
| X6 | 0,628 | 0,1593 | Valid |
| X7 | 0,467 | 0,1593 | Valid |
| Stock Investment Variable (Y) | | | |
| Y1 | 0,435 | 0,1593 | Valid |
| Y2 | 0,55 | 0,1593 | Valid |
| Y3 | 0,626 | 0,1593 | Valid |
| Y4 | 0,61 | 0,1593 | Valid |
| Y5 | 0,304 | 0,1593 | Valid |
| Y6 | 0,539 | 0,1593 | Valid |
| Y7 | 0,701 | 0,1593 | Valid |
| Y8 | 0,458 | 0,1593 | Valid |

Source: processed data, 2021

The results of the validity test demonstrated that each of the r values calculates $>$ r table 0.1593 so it can be concluded that all question indicator items are declared valid.

Reliability Test

Based on the data processed, reliability test results are presented in the form of the following table 3:

Table 3 Reliability Test Result

| Variable | Cronbach's Alpha Value | N of Items |
|----------------------|------------------------|------------|
| Public Interest (X) | 0,653 | 7 |
| Stock Investment (Y) | 0,625 | 8 |

Source: processed data, 2021

Reliability test results showed that each of the Cronbach alpha values $>$ 0.60 so it can be concluded that all question indicator items are declared reliable.

Normality Test

Based on the processed data, the results of the normality test are presented in the form of the following table 4:

Table 4 Normality Test Result

| | |
|---------------------------------|-------|
| Total respondents | 152 |
| Value of Asymp. Sig. (2-tailed) | 0,200 |

Source: processed data, 2021

Normality test results showed that the variables of public interest and stock investment had a 2-tailed asymp value of 0.200 $>$ 0.05 which means the distributed data is normal.

Simple Linear Regression Analysis

The results of a simple linear regression testing will be presented in table 5:

Table 5 Simple Linear Regression Test Results

| | Regression Values | Value t Calculates | Adjusted R ² |
|------------|-------------------|--------------------|-------------------------|
| Constanta | 11,510 | 7,229 | 0,549 |
| Variable X | 0,750 | 13,589 | |

Source: processed data, 2021

Based on table 5 result of simple regression analysis tests, it can be concluded that the regression equation is $y = 11,510 + 0,750x$. While in the t test, the value of t calculates the $> t$ of the table which is 1.97591 (the value of the t table is obtained from: $df = n - 2 = 152 - 2 = 150$ with $\alpha = 0.05$). This condition means the public interest has a significant effect on stock investment during the Covid-19 pandemic. In the table it was recognized that the determination coefficient value (Adjusted R²) is 0.549 indicates 54.9 percent of stock investment variables can be explained by public interest variables while the other 45.1 percent is explained by other variables outside of this study.

Discussion and Education Scheme

The results stated that public interest had a significant effect on stock investment during the Covid-19 pandemic. This was evidenced by the results of the t calculated test $> t$ table (13.589 > 1.97591). Society argues that under no circumstances should they still have some money withheld in the form of investments, savings and others.

The study also proves that people still want to invest even in pandemic times and are not a barrier to investing even though in theory pandemic times people tend to save money rather than invest. With the socialization and education conceptually about stock investment and capital markets make people know about stocks.

The results of this study are similar to prior research conducted by Wi and Anggraeni (2020) who said that public interest was influential in investing in stocks during the covid-19 pandemic. Strengthened by Phil (2020) in Tambunan (2020) said that when the Covid-19 pandemic is the most appropriate time to invest/buy shares where many people sell shares so the stock price is definitely cheap.

The educational scheme that will be implemented is to apply conceptual learning or learning that is associated with the context of experience and real life. A real framework form is used to help decipher people's viewpoints and understandings related to stock investment.

CONCLUSION

Based on the results of research and discussions that have been done can be drawn conclusions from this study that there is public interest in investing in stocks during the covid-19 pandemic. Educational schemes are implemented by applying conceptual learning or learning that is associated with the context of the experience.

For further researchers to be able to examine the specific types of stocks so that public interest can be known to invest in each type of stock during the Covid-19 Pandemic. In addition, there requires to be further education about stock investment so that public knowledge can understand stocks in detail, such as how to trade shares, analysis of an issuer, and some

assumptions related to stocks.

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