The Effect of Online Loan Dependency on Students' Investment Decisions: The Moderating Role of Financial Literacy, Consumptive Behavior, and Psychological Pressure

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Abstract: *The rapid expansion of financial technology (fintech) has accelerated the adoption of online lending services among university students, raising concerns about their implications for financial decision-making. While online loans provide convenient access to short-term financing, their influence on students' investment decisions remains insufficiently understood, particularly when financial, behavioral, and psychological factors are considered simultaneously. This study examines the effect of online loan dependence on investment decisions among students at STIE Indonesia Banking School, with financial literacy, consumptive behavior, and psychological stress as moderating variables. A quantitative approach was employed using survey data from students with online lending experience, and the relationships were analyzed through Partial Least Squares–Structural Equation Modeling (PLS-SEM). The findings reveal that financial literacy, consumptive behavior, and psychological stress significantly influence investment decisions, whereas online loan dependence does not exert a direct effect. Consumptive behavior, however, significantly moderates the relationship between online loan dependence and investment decisions, while financial literacy and psychological stress do not. These findings extend Behavioral Finance Theory by demonstrating that students' investment decisions are shaped by the interaction between financial knowledge and behavioral characteristics rather than by online borrowing alone. The study offers practical implications for universities, regulators, and fintech providers in strengthening financial literacy initiatives and promoting responsible financial behavior among young adults.*

INTRODUCTION

The rapid advancement of digital technology has significantly transformed the financial services sector, particularly through the emergence of online lending services (pinjol). These financial technology (fintech)-based services provide easy, fast, and practical access to funding without complex procedures. Various digital lending products, such as peer to peer (P2P) lending and Buy Now Pay Later (BNPL), have become increasingly popular due to their ability to meet short term financial needs through simple smartphone applications (Dewanto & Yanti, 2025). However, despite these conveniences, there is a growing risk of dependency on online loans, which may negatively affect individuals' financial conditions, particularly among university students who are still in the process of developing financial independence (Nugroho *et al.,* 2023). University students are considered a vulnerable group in terms of online loan usage because they generally have limited income while facing various academic and consumptive needs. This condition often encourages students to rely on online lending services as a short-term financial solution. The ease of access, rapid approval process, and minimal requirements are key factors driving the increasing use of online loans among students (Husna *et al*., 2025). If not accompanied by sound financial management, such usage may lead to dependency, resulting in higher debt burdens, reduced saving capacity, and lower allocation of funds for investment activities (Kurniawan & Wahidah, 2023).

In contrast, students of STIE Indonesia Banking School (IBS) exhibit different characteristics compared to university students in general. As an institution specializing in banking and finance, STIE IBS provides intensive education in financial literacy, investment, risk management, and fintech industry development (Ferli & Nursanti, 2021). Moreover, various educational collaborations with the Financial Services Authority (OJK) and fintech companies further strengthen students' understanding of the benefits and risks of digital financial services. This makes STIE IBS an interesting context for examining whether higher levels of financial literacy can reduce dependency on online loans and promote more rational investment decision-making (Ferli *et al*., 2024). The increasing use of online loans in Indonesia reflects growing public acceptance of these services, particularly among younger generations. Data from PT Pefindo Biro Kredit (IdScore) show that BNPL debtors reached 20.1 million in August 2025, an increase of 33.91% compared to the previous year (Hidayat, 2025). Meanwhile, data from the Financial Services Authority (OJK) indicate that individuals aged 19–34 dominate online lending distribution, with 10.91 million active accounts and a total disbursement value of IDR 26.87 trillion as of June 2023, accounting for approximately 60% of total fintech lending distribution (Otoritas Jasa Keuangan, 2025).

Although the use of online loans among STIE IBS students is relatively lower compared to the general student population, the potential impact of loan dependency on investment decisions remains an important concern. Dependency on online loans may reduce individuals' ability to allocate funds for productive investments, as a portion of their income is diverted to debt repayment obligations (Putri *et al.,* 2023). In addition, easy access to credit may also encourage consumptive behavior, which can further reduce students' willingness and capacity to invest (Hidayah *et al*., 2023). Beyond financial implications, online loan dependency may also affect individuals' psychological conditions. Increasing debt burdens often lead to psychological pressure such as anxiety, stress, and uncertainty regarding future financial stability (Chhillar *et al.,* 2025). Such psychological distress may influence decision-making quality, including investment-related decisions (Marlina *et al.,* 2025). Conversely, individuals with strong financial literacy tend to better understand the risks of online borrowing and manage their finances more effectively, thereby mitigating its negative impact on investment decisions (Chhillar *et al.,* 2025).

Although research on online lending, financial literacy, and student financial behavior has grown significantly, most studies have primarily focused on consumptive behavior, fintech usage intensity, or general financial behavior. Studies specifically examining the relationship between online loan dependency and students' investment decisions remain limited. Furthermore, existing findings show inconsistencies regarding the impact of online loan usage on financial decision-making, indicating the need for further investigation. Based on this research gap, this study offers novelty by integrating financial and psychological factors in explaining students' investment decisions in the context of online loan usage. This research not only examines the direct effects of financial literacy, consumptive behavior, and psychological stress on investment decisions but also investigates the role of online loan dependency in these relationships. Accordingly, this study is expected to contribute to the development of Behavioral Finance Theory and provide empirical evidence regarding student investment behavior in the era of digital financial technology.

Therefore, this study aims to analyze the effect of online loan dependency on the investment decisions of STIE Indonesia Banking School students, considering the roles of financial literacy, consumptive behavior, and psychological stress. The findings are expected to enrich behavioral finance literature and provide insights for higher education institutions and policymakers in designing financial literacy programs that support wiser and more sustainable investment decision-making.

THEORETICAL FRAMEWORK

Debt Trap Theory

According to Warokka (2025), Debt Trap Theory describes a situation in which borrowers become trapped in a continuous cycle of debt, where new loans are taken to repay previous obligations, often worsened by high interest rates and consumptive behavior. In the context of online lending in Indonesia, this theory is highly relevant, as the ease of access to fintech-based loans may create a debt trap among students. Such conditions can reduce their ability to allocate funds for investment, increase consumptive behavior, and intensify psychological pressure (Warokka *et al*., 2025).

Consumer Behavior Theory

According to Nugroho *et al*. (2023), Consumer Behavior Theory explains that individual consumption patterns are influenced by internal factors, such as motivation and attitudes, as well as external factors, including social media influence and hedonistic lifestyles. In this study, the theory is used to explain how the accessibility of online loans strengthens students' consumptive behavior in fulfilling short-term desires, which in turn reduces the allocation of funds for investment and may trigger psychological stress (Hidayah *et al*., 2023).

Stress and Coping Theory

Folkman (2013) states that Stress and Coping Theory explains stress as a condition that arises when environmental demands exceed an individual's coping capacity. In the context of online lending, this theory suggests that debt burdens and the threat of debt collection can create psychological pressure on students. This pressure may lead to maladaptive coping strategies, such as avoidance of long-term financial planning and investment decision-making (Sulaiman *et al.,* 2024).

Financial Literacy Theory

According to the Financial Services Authority (Otoritas Jasa Keuangan, 2024), Financial Literacy Theory emphasizes that an individual's knowledge, attitudes, and financial behavior play a crucial role in making sound financial decisions. High levels of financial literacy can reduce the risk of dependency on online loans, control consumptive behavior, and encourage more effective allocation of funds toward productive investments among students (Putri & Priono, 2024).

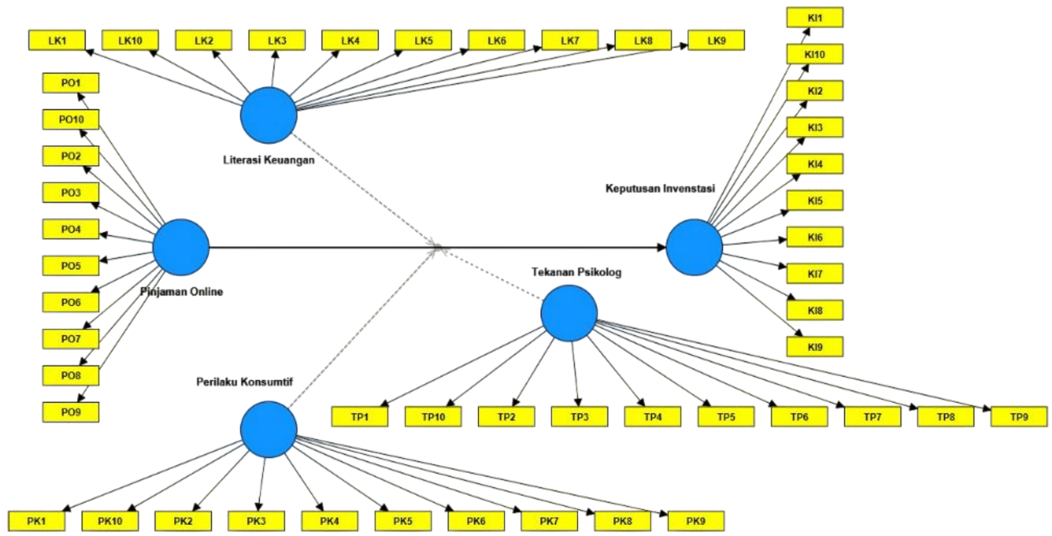


Figure 1. Research Framework

Online Loan Dependency and Investment Decisions Based on Debt Trap Theory

Dependency on online loans may influence an individual's ability to allocate financial resources toward productive activities, including investment. However, several studies suggest that online loans can also serve as a financing source that supports productive economic activities and investment. Therefore, the relationship between online loan dependency and investment decisions remains an empirical issue that requires further investigation.

H1: Online loan dependency affects the investment decisions of STIE Indonesia Banking School students.

Financial Literacy and Investment Decisions

Financial Literacy Theory explains that individuals with strong financial knowledge and understanding tend to make more rational and well-planned financial decisions (OJK, 2024). Financial literacy enables individuals to understand risks, benefits, and available investment instruments. Previous studies by Husna *et al*. (2025) and Kurniawan *et al.* (2023) indicate that financial literacy has a positive effect on investment decisions. Individuals with higher financial literacy are better able to manage their finances and select appropriate investment instruments. However, online loan usage may influence individuals' financial resource allocation, which in turn may affect investment decisions.

H2: Financial literacy has a positive effect on the investment decisions of STIE Indonesia Banking School students.

Consumer Behavior and Investment Decisions

Consumer Behavior Theory explains that consumption behavior is shaped by motivation, lifestyle, and social environment. Easy access to online loans may increase students' consumptive behavior by providing instant funds to fulfill short-term needs and desires (Nugroho *et al*., 2023). Hidayah *et al.* (2023) found that online loan usage encourages consumptive behavior among students, which ultimately reduces their ability to invest. In general, higher consumptive behavior tends to lower the likelihood of allocating funds for investment. However, some studies suggest that individuals with strong consumption patterns may also have higher economic activity and financial management capability, allowing them to still engage in investment as part of financial

planning. Therefore, the influence of consumptive behavior on investment decisions remains an interesting issue for further research.
H3: Consumptive behavior affects the investment decisions of STIE Indonesia Banking School students.

Psychological Pressure and Investment Decisions

According to Folkman (2013), Stress and Coping Theory explains that psychological stress arises when individuals face demands that exceed their coping abilities. Debt burdens from online loans may create anxiety, stress, and uncertainty regarding future financial conditions. Sulaiman *et al*. (2024) found that online loan users are prone to psychological pressure, which affects the quality of financial decision-making. This condition may lead individuals to become more cautious or even avoid investment activities. Psychological stress, characterized by anxiety and financial uncertainty, can significantly influence investment decision-making processes by affecting risk preferences and judgment quality.
H4: Psychological pressure affects the investment decisions of STIE Indonesia Banking School students.

Moderating Role of Financial Literacy

Financial Literacy Theory suggests that individuals with strong financial understanding are better able to evaluate the risks and benefits of financial decisions rationally. In the context of online loan usage, financial literacy helps individuals understand debt consequences and manage financial obligations more effectively. Thus, financial literacy may strengthen or weaken the relationship between online loan dependency and investment decisions. Individuals with high financial literacy are more likely to use online loans productively and still maintain optimal investment decisions.
H5: Financial literacy moderates the influence of online loan dependency on the investment decisions of STIE Indonesia Banking School students.

Moderating Role of Consumptive Behavior

Consumer Behavior Theory explains that consumption patterns are influenced by needs, desires, and lifestyle. Individuals with high consumptive behavior tend to use online loans to satisfy short-term consumption needs. This condition may increase dependency on online loans and reduce the ability to allocate funds for investment. Therefore, consumptive behavior is expected to strengthen the relationship between online loan dependency and investment decisions.
H6: Consumptive behavior moderates the influence of online loan dependency on the investment decisions of STIE Indonesia Banking School students.

Moderating Role of Psychological Pressure

Psychological pressure resulting from debt burden may intensify the impact of online loan dependency on investment decision-making. The higher the psychological stress experienced by individuals, the greater the likelihood that rational investment decision-making will be impaired. Online loan usage is expected to influence the relationship between psychological pressure and students' investment decisions. Increased psychological pressure may disrupt individuals' ability to objectively evaluate investment risks and opportunities.
H7: Psychological pressure moderates the influence of online loan dependency on the investment decisions of STIE Indonesia Banking School students.

RESEARCH METHOD

This study employs primary data collected directly from respondents. Data collection was conducted using a survey method, with a structured questionnaire as the main research instrument. The questionnaire was systematically designed to measure the research variables, namely online loan dependency, investment decisions, financial literacy, consumptive behavior, and psychological pressure. The questionnaire was distributed online using Google Forms to respondents who are students of STIE Indonesia Banking School and who have experience using or are currently using online lending services (pinjol). A 5-point Likert scale was used in this study, where 1 indicates strongly disagree, 2 disagree, 3 neutral, 4 agree, and 5 strongly agree.

The population of this study consists of students of STIE Indonesia Banking School who have experience using online loans. The sampling technique applied is purposive sampling, in which respondents are selected based on specific criteria aligned with the research objectives. Data analysis in this study was conducted using multiple linear regression to examine the effect of independent variables on the dependent variable, as well as moderation analysis to assess the moderating roles of financial literacy, consumptive behavior, and psychological pressure. All data processing and statistical analysis were performed using SmartPLS 4.0 software.

RESULT AND DISCUSSION

Primary data in this study were collected through an online questionnaire distributed via various social media platforms, including WhatsApp, Instagram, and LinkedIn. The questionnaire was specifically targeted at students of STIE Indonesia Banking School. A total of 200 valid responses were obtained and used for data analysis. All respondents were students of STIE Indonesia Banking School who had experience using online lending services (pinjol). The questionnaire consisted of several statements representing each research variable, measured using a 5-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree).

Respondent Characteristics

Table 1. Respondent Characteristics Test Result

Category	Description	Frequency	Percentage (%)
Gender	Male	50	25%
	Female	150	75%
	Total	200	100%
Age of Respondents	17–20 years	45	23%
	21–25 years	65	33%
	26–28 years	83	42%
	> 28 years	7	4%
	Total	200	100%
Major	Management	70	35%
	Accounting	100	50%
	MKPS	30	15%
	Total	200	100%
Source of Income	Parental support	104	52%
	Freelance	53	27%
	Salary (employment)	17	9%
	Personal business	26	13%
	Total	200	100%
Investment Allocation	Stocks	85	43%

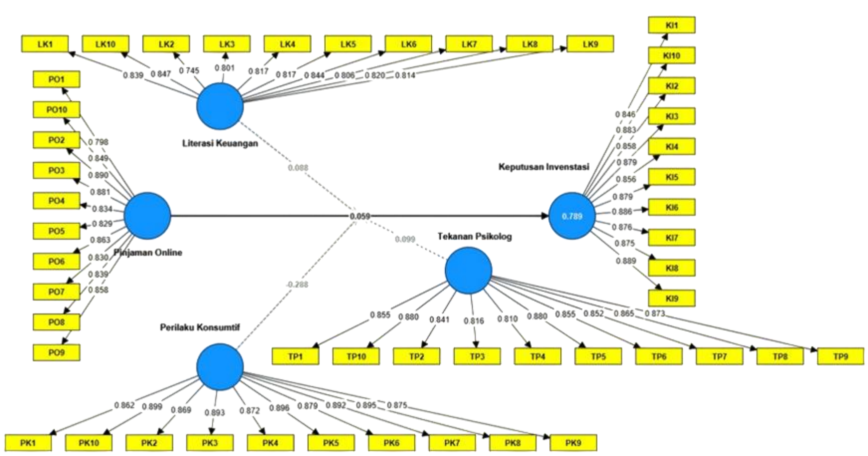
Cryptocurrency	21	11%
Mutual funds	49	25%
Bonds	9	5%
Not investing	36	18%
Total	200	100%

Source: Primary Data Processed (2026)

Based on the results presented in Table 1, the majority of respondents are female, accounting for 150 individuals (75%), while male respondents represent 50 individuals (25%). Regarding age distribution, most respondents are in the 26–28 years category with 83 individuals (42%), followed by the 21–25 years group with 65 individuals (33%), the 17–20 years group with 45 individuals (23%), and those above 28 years old with 7 individuals (4%). In terms of academic background, half of the respondents are from the Accounting program, totaling 100 individuals (50%), followed by Management with 70 individuals (35%), and MKPS with 30 individuals (15%). With regard to income sources, the largest proportion of respondents rely on parental financial support, totaling 104 individuals (52%), followed by freelance work with 53 individuals (27%), personal business activities with 26 individuals (13%), and salaried employment with 17 individuals (9%).

Meanwhile, based on investment allocation, the majority of respondents invest in stocks, comprising 85 individuals (43%), followed by mutual funds with 49 individuals (25%), cryptocurrency with 21 individuals (11%), and bonds with 9 individuals (5%). Additionally, 36 respondents (18%) reported that they do not engage in any form of investment. Overall, the findings indicate that the respondents are predominantly female, within the productive age range of 21–28 years, and mainly from the Accounting department. Most respondents still depend on parental financial support; however, they demonstrate a relatively high level of interest in investment activities, particularly in equities. These results suggest that investment awareness among students is fairly strong, even though the majority have not yet attained stable income from formal employment.

Validation Test



Source: Processed by the Author (2026)

Figure 2. Conceptual Framework

The validity test is conducted to assess the extent to which each indicator is capable of measuring the intended construct. An indicator is considered valid when its loading factor value exceeds 0.50. Based on the results of the outer model evaluation, all indicators representing the variables of Online Loan Dependency, Financial Literacy, Consumptive Behavior, Psychological Pressure, and Investment Decisions demonstrate loading factor values above the required threshold. Accordingly, all indicators meet the validity requirements and adequately represent their respective constructs. Thus, all measurement items are deemed valid and appropriate for further analysis.

Reliability Test

The reliability test is used to evaluate the consistency and stability of measurement instruments by ensuring that the indicators are free from measurement error. In the PLS-SEM approach, reliability is assessed using several criteria. First, Cronbach's Alpha should be higher than 0.70. Second, Composite Reliability must also exceed 0.70 to confirm internal consistency. Finally, the Average Variance Extracted (AVE) should be greater than 0.50 as an additional indicator of construct reliability and convergent validity.

Table 3. Reliability Test

Variable	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)	Remarks
Investment Decisions	0.965	0.966	0.762	Reliable
Financial Literacy	0.944	0.945	0.665	Reliable
Online Loans	0.969	0.969	0.780	Reliable
Consumptive Behavior	0.956	0.957	0.718	Reliable
Psychological Pressure	0.958	0.959	0.728	Reliable

Source: Primary Data Processed (2026)

Based on Table 3, all research constructs demonstrate Cronbach's Alpha values exceeding the 0.70 threshold, ranging from 0.944 to 0.969. Similarly, the Composite Reliability values are also above 0.70, with scores ranging between 0.945 and 0.969. These findings indicate that all constructs possess a high level of internal consistency and are capable of measuring the research variables reliably. In addition, the Average Variance Extracted (AVE) values for all constructs are above the minimum requirement of 0.50, ranging from 0.665 to 0.780. This confirms that all constructs have achieved convergent validity, indicating that the indicators used are effective in explaining their respective latent variables.

R-Square and Q-Square Tests

Table 4. R-Square and Q-Square Test Results

Endogenous Variable	R-Square (R^2)	Category	Q-Square (Q^2)	Predictive Relevance
Investment Decisions	0.789	Strong	0.743	Very Good

Source: Primary Data Processed (2026)

Based on Table 4, the R-Square (R^2) value for the Investment Decision variable is 0.789. This indicates that 78.9% of the variation in students' investment decisions can be explained by online loan dependency, financial literacy, consumptive behavior, psychological pressure, and the moderating variables included in the research model. The remaining 21.1% is attributed to other factors outside the model. Meanwhile, the Q-Square (Q^2) value of 0.743 demonstrates that the model has a strong predictive relevance, as the value is greater than zero. This suggests that the proposed model is highly capable of predicting students' investment decisions in this study.

F-Square Test

This test is conducted to evaluate the significance level of relationships between constructs within the research model. A relationship is considered statistically significant when the p-value is less than 0.05. Based on the results, nearly all relationships among the constructs show p-values of 0.000, which is below the 0.05 threshold. This indicates that the relationships between variables in the model are statistically significant.

Table 5. F-Square Test

Variable	Investment Decisions	Financial Literacy	Online Loans	Consumptive Behavior	Psychological Pressure
Investment Decisions	0.0058	0.0000	0.0000	0.0000	0.0000
Financial Literacy	0.0583	0.0000	0.0000	0.0000	0.0000
Online Loans	0.3351	0.0000	0.0000	0.0000	0.0000
Consumptive Behavior	0.0913	0.0000	0.0000	0.0000	0.0000

Source: Primary Data Processed (2026)

Based on the effect size (f^2) test results, the Online Loans variable exhibits the strongest influence on Investment Decisions, with an f^2 value of 0.335, which is categorized as a medium effect and approaches the large effect threshold. In comparison, Financial Literacy and Consumptive Behavior demonstrate relatively small effects, with f^2 values of 0.058 and 0.091, respectively. Meanwhile, Psychological Pressure shows a very small effect, indicated by an f^2 value of 0.006, suggesting a minimal contribution to investment decisions.
Overall, these findings indicate that the explanatory contribution of each variable in the model varies significantly, with Online Loans serving as the most dominant factor in influencing students' investment decisions.

Hypothesis Testing

Table 6. Hypothesis Testing

Hypothesis	Variable Relationship	β	T-Statistic	P-Value	Decision
H1	Online Loans → Investment Decisions	0.0592	1.2147	0.2245	Rejected
H2	Financial Literacy → Investment Decisions	0.2128	2.2057	0.0274	Accepted
H3	Consumptive Behavior → Investment Decisions	0.3881	4.9083	0.0000	Accepted
H4	Psychological Pressure → Investment Decisions	0.3026	3.5216	0.0004	Accepted
H5	Online Loans × Financial Literacy → Investment Decisions	0.0867	0.6659	0.5055	Rejected
H6	Online Loans × Consumptive Behavior → Investment Decisions	-0.2908	2.4749	0.0133	Accepted
H7	Online Loans × Psychological Pressure → Investment Decisions	0.1019	0.5818	0.5607	Rejected

Source: Primary Data Processed (2026)

Based on the hypothesis testing results presented in Table 5, four hypotheses are supported, while three hypotheses are not supported. Financial literacy shows a positive and significant effect on investment decisions (β = 0.213; p = 0.027), leading to the acceptance of H2. Similarly, consumptive behavior has a positive and significant influence on investment decisions (β = 0.388; $p < 0.001$), resulting in the acceptance of H3. In addition, psychological pressure also demonstrates a positive and significant effect on investment decisions (β = 0.303; $p < 0.001$), thereby supporting H4. In contrast, online loan dependency does not have a statistically significant effect on investment decisions (β = 0.059; p = 0.225), leading to the rejection of H1. Regarding the moderating effects, the interaction between online loan dependency and consumptive behavior significantly affects investment decisions (β = -0.291; p = 0.013), thus H6 is accepted. However, the interaction effects between online loan dependency and financial literacy (β = 0.087; p = 0.506) as well as between online loan dependency and psychological pressure (β = 0.102; p = 0.561) are not statistically significant, resulting in the rejection of H5 and H7.

Discussion

The structural model demonstrates a strong capacity to explain students' investment decisions. The R-square value of 0.789 indicates that online loan dependency, financial literacy, consumptive behavior, psychological pressure, and their interaction effects collectively explain 78.9% of the variation in investment decisions. The Q-square value of 0.743 further confirms that the model has high predictive relevance. These results suggest that students' investment decisions are not determined by a single financial factor but emerge from the interaction of knowledge, behavioral tendencies, psychological conditions, and exposure to digital credit. This supports the behavioral finance perspective, which argues that financial decisions are influenced not only by rational calculations but also by personal experiences, cognitive evaluations, emotions, and behavioral characteristics.

The respondent profile provides an important context for interpreting the findings. Most respondents were female, aged between 21 and 28 years, and enrolled in Accounting or Management programs. In addition, 52% of respondents still relied on parental financial support, although many had already invested in stocks, mutual funds, cryptocurrencies, or bonds. This profile indicates that the respondents had relatively high exposure to financial knowledge and investment activities despite not yet having fully independent or stable income. Such characteristics may explain why online loan usage did not automatically determine their investment decisions. Students with an educational background in banking, accounting, and management may be more capable of separating short-term borrowing activities from long-term investment planning.

The Effect of Online Loan Dependency on Investment Decisions

The findings show that online loan dependency does not have a significant effect on students' investment decisions, as indicated by a coefficient of 0.0592, a *t-statistic* of 1.2147, and a *p-value* of 0.2245. Therefore, H1 is not supported. This result indicates that dependence on online loans is not a primary factor in determining whether students decide to invest. Although online borrowing may affect cash flow and debt obligations, its presence alone does not necessarily reduce or increase investment activity.

This finding does not fully support Debt Trap Theory, which assumes that repeated borrowing can trap individuals in a cycle of debt and reduce their ability to allocate funds to productive purposes (Warokka et al., 2025). In the present context, online loans may be used selectively for short-term consumption or emergency needs rather than as a permanent source of financing. Consequently, the repayment of online debt may not directly interfere with the students' investment allocation.

The insignificant effect may also be related to the characteristics of STIE Indonesia Banking School students. Their exposure to banking, investment, risk management, and financial technology education may help them distinguish between debt financing and investment planning. Ferli and Nursanti (2021) explain that financial education and demographic characteristics contribute to students' financial behavior. Thus, even when students use online lending services, they may still maintain separate financial priorities for investment.

Another possible explanation is that the effect of online loan dependency operates indirectly through behavioral variables rather than directly influencing investment decisions. Online lending may initially encourage spending or increase financial pressure, but the final investment decision depends on how students manage their consumption, knowledge, and psychological response. This interpretation is consistent with Putri et al. (2023), who found that online loan usage is closely associated with lifestyle and consumption patterns. Therefore, the consequences of online borrowing may depend more on the purpose of the loan and the borrower's financial behavior than on the borrowing activity itself.

The Effect of Financial Literacy on Investment Decisions

Financial literacy has a positive and significant effect on students' investment decisions, with a coefficient of 0.2128, a *t-statistic* of 2.2057, and a *p-value* of 0.0274. Accordingly, H2 is supported. This finding indicates that students with better financial knowledge, understanding, and skills are more likely to make investment decisions.

Financial literacy enables students to evaluate investment risks, expected returns, transaction costs, liquidity, and the suitability of financial instruments. Students who understand these aspects are better able to distinguish between productive investment and speculative financial activity. They are also more likely to plan their finances, compare alternative investment instruments, and avoid decisions based solely on trends or social pressure.

This finding is consistent with Financial Literacy Theory, which emphasizes that knowledge, attitudes, and financial behavior contribute to more responsible financial decision-making. The Financial Services Authority states that financial literacy helps individuals understand financial products and make decisions according to their needs and risk profiles (Otoritas Jasa Keuangan, 2024). The result also supports Husna et al. (2025), who found that financial literacy contributes positively to students' investment decisions, and Kurniawan and Wahidah (2023), who demonstrated that financially literate individuals tend to make more rational investment choices.

In the context of STIE Indonesia Banking School, the effect of financial literacy is particularly relevant because the students are regularly exposed to courses and activities related to finance, accounting, banking, and investment. Such exposure can strengthen their understanding of diversification, risk management, capital market instruments, and financial planning. The finding therefore suggests that educational institutions play an important role in transforming financial knowledge into actual investment behavior.

Nevertheless, the coefficient of financial literacy is lower than those of consumptive behavior and psychological pressure. This indicates that knowledge alone is not sufficient to explain investment decisions. A student may understand investment concepts but still be influenced by lifestyle, emotions, financial stress, and immediate spending needs. Financial literacy must therefore be accompanied by self-control, responsible debt management, and the ability to translate knowledge into consistent financial behavior.

The Effect of Consumptive Behavior on Investment Decisions

Consumptive behavior has a positive and significant effect on investment decisions, with a coefficient of 0.3881, a *t-statistic* of 4.9083, and a *p-value* below 0.001. Thus, H3 is supported.

This positive relationship is noteworthy because consumptive behavior is commonly expected to reduce the availability of funds for saving and investment.

The result suggests that consumptive behavior and investment behavior are not necessarily mutually exclusive. Students with higher consumption levels may also demonstrate greater financial activity, including the purchase of investment products. Some respondents may treat investment as part of a modern lifestyle, financial identity, or effort to maintain a balance between current consumption and future financial goals. The dominance of stock and mutual fund ownership among the respondents indicates that investment activities may coexist with active consumption patterns.

From the perspective of Consumer Behavior Theory, financial choices are influenced by lifestyle, motivation, social environment, and personal preferences. Students who are highly responsive to trends may not only consume goods and services but may also follow investment trends promoted through social media and digital financial platforms. The availability of mobile investment applications makes stocks, mutual funds, and cryptocurrencies accessible in a manner similar to other digital transactions. Investment can consequently become part of students' broader consumption and lifestyle patterns.

The finding differs from the conventional expectation that high consumptive behavior limits investment capacity. Hidayah et al. (2023) found that online loan usage can encourage consumptive behavior among students, potentially reducing their financial capacity. However, the positive coefficient in the present study may indicate that respondents attempt to engage in both consumption and investment simultaneously. It may also reflect a tendency to perceive investment products as another form of financial consumption rather than as a disciplined long-term wealth accumulation strategy.

Therefore, the finding should not be interpreted as evidence that consumptive behavior is financially beneficial. Instead, it indicates that students with active consumption patterns may also participate actively in investment markets. The quality of those investments still depends on whether decisions are based on analysis, long-term goals, and risk assessment or merely on trends, fear of missing out, and speculative motives. Further research should distinguish productive investment behavior from short-term speculative trading to clarify this relationship.

The Effect of Psychological Pressure on Investment Decisions

Psychological pressure has a positive and significant effect on investment decisions, with a coefficient of 0.3026, a *t-statistic* of 3.5216, and a *p-value* of 0.0004. Therefore, H4 is supported. This result indicates that increasing psychological pressure is associated with a greater tendency to make investment decisions.

Although psychological pressure is often assumed to impair judgment, the positive relationship suggests that financial stress may motivate students to pay greater attention to their future financial security. Concerns about unstable income, increasing living costs, debt obligations, or future employment may encourage students to consider investment as a means of building financial reserves and achieving long-term security. In this sense, psychological pressure functions as a trigger for financial planning rather than solely as a barrier to rational decision-making.

This finding can be interpreted through Stress and Coping Theory. Individuals respond differently when facing financial pressure. Some may adopt maladaptive coping strategies, such as avoidance or excessive borrowing, whereas others may use problem-focused coping by improving financial planning, reducing unnecessary expenditure, or beginning to invest. Among students with financial education, investment may be regarded as an active strategy to cope with uncertainty and improve future financial stability.

The finding is consistent with the argument that financial stress influences financial decision-making, risk perception, and individual judgment (Chhillar et al., 2025). Marlina et al. (2025) similarly emphasize that financial behavior, financial stress, and online borrowing are interconnected. However, the positive direction found in this study suggests that psychological pressure does not always lead to financial avoidance. In respondents with sufficient financial knowledge, moderate pressure may increase vigilance and motivate investment planning.

Nevertheless, this result requires careful interpretation. Excessive psychological pressure can still produce irrational decisions, risk aversion, panic selling, or speculative behavior. Sulaiman (2024) highlights that fintech lending may generate anxiety and psychological risks among students. Therefore, the positive relationship may reflect a coping response rather than an indication that psychological pressure consistently improves investment quality. Universities should help students manage financial stress so that investment decisions are made through analysis rather than emotional urgency.

The Moderating Role of Financial Literacy

The interaction between online loan dependency and financial literacy does not significantly affect investment decisions, with a coefficient of 0.0867, a *t-statistic* of 0.6659, and a *p-value* of 0.5055. Consequently, H5 is not supported. Financial literacy does not strengthen or weaken the relationship between online loan dependency and students' investment decisions.

This finding indicates that financial literacy functions primarily as an independent predictor of investment decisions rather than as a contextual factor that changes the effect of online loan dependency. Students with greater financial literacy tend to make better investment decisions regardless of whether their dependency on online loans is high or low. In other words, financial knowledge directly shapes investment evaluation but does not necessarily alter how online debt affects investment behavior.

One explanation is that knowing the risks of loans does not always guarantee that individuals will change their borrowing behavior. Financial literacy may increase awareness of interest rates, repayment periods, and investment risks, but actual behavior may still be affected by urgent needs, lifestyle demands, self-control, and access to credit. Putri and Priono (2024) argue that the use of online lending applications is influenced not only by financial literacy but also by social factors and lifestyle.

The insignificant moderating effect may also indicate that the respondents generally possess relatively similar levels of financial knowledge because they study at an institution specializing in banking and finance. Limited variation in financial literacy can reduce its capacity to produce different effects across levels of online loan dependency. Therefore, financial literacy remains important, but its contribution appears through a direct effect on investment decisions rather than through moderation.

The Moderating Role of Consumptive Behavior

The interaction between online loan dependency and consumptive behavior has a negative and significant effect on investment decisions, with a coefficient of −0.2908, a *t-statistic* of 2.4749, and a *p-value* of 0.0133. Therefore, H6 is supported. The negative coefficient indicates that online loan dependency weakens the positive relationship between consumptive behavior and investment decisions.

The direct effect shows that consumptive behavior is positively associated with investment decisions. However, when consumptive behavior is accompanied by higher dependency on online loans, its positive relationship with investment decisions decreases. This means that students may be able to maintain both consumption and investment activities when their consumption is financed through regular income or personal resources. Once consumption increasingly depends on online loans, repayment obligations, interest charges, and reduced disposable income limit the funds available for investment.

This result supports Consumer Behavior Theory, which explains that short-term desires, lifestyle, and social influences can shape financial choices. Easy access to online loans allows students to satisfy consumption needs immediately, but repeated borrowing may gradually shift financial resources away from productive allocation. Hidayah et al. (2023) found that online lending can strengthen consumptive tendencies among students, while Putri et al. (2023) associated online borrowing with consumptive lifestyles. The present study extends these findings by showing that loan dependency changes the way consumptive behavior relates to investment decisions.

The finding is also consistent with Debt Trap Theory. When consumption is financed through repeated borrowing, students face repayment commitments that restrict their future financial flexibility. Warokka et al. (2025) explain that digital credit can develop into a debt trap when new borrowing is used to maintain consumption or repay previous obligations. Under such conditions, investment becomes more difficult because financial resources are directed toward debt servicing.

This interaction represents an important contribution of the study. Online loan dependency may not directly reduce investment decisions, but it becomes consequential when combined with high consumptive behavior. Therefore, the financial risk does not arise solely from access to digital credit; it emerges from the purpose and pattern of its use. Responsible borrowing interventions should consequently focus on controlling consumption financed through debt rather than merely discouraging all forms of online borrowing.

The Moderating Role of Psychological Pressure

The interaction between online loan dependency and psychological pressure does not significantly affect investment decisions, with a coefficient of 0.1019, a *t-statistic* of 0.5818, and a *p-value* of 0.5607. Accordingly, H7 is not supported. Psychological pressure does not strengthen or weaken the relationship between online loan dependency and investment decisions.

Although psychological pressure has a significant direct effect, it does not alter the effect of online loan dependency. This indicates that financial stress influences investment decisions independently of students' level of dependence on online loans. Psychological pressure may arise from various sources, including academic responsibilities, uncertainty about employment, family expectations, living expenses, and future financial goals. Therefore, it cannot be attributed solely to online debt.

The insignificant interaction may also suggest that respondents possess different coping mechanisms. Some students may respond to online loan obligations by avoiding investment, whereas others may become more motivated to invest as part of financial recovery. These contrasting responses can neutralize the overall moderating effect. Sulaiman (2024) emphasizes that the psychological effects of fintech lending vary according to individual vulnerability and coping capacity.

Furthermore, students with a financial education background may be more capable of assessing online loan obligations without allowing the associated psychological pressure to dominate their investment decisions. This does not mean that online debt is psychologically harmless. Rather, the result indicates that psychological pressure is insufficient to systematically change the relationship between loan dependency and investment behavior in this sample.

Overall Interpretation and Research Implications

Overall, the findings demonstrate that students' investment decisions are more strongly influenced by financial literacy, consumptive behavior, and psychological pressure than by online loan dependency itself. Consumptive behavior has the strongest direct coefficient, followed by psychological pressure and financial literacy. Online loan dependency becomes relevant primarily through its interaction with consumptive behavior.

These results extend the behavioral finance perspective by showing that financial behavior cannot be explained solely through objective economic constraints. Students may invest despite limited income, high consumption, financial stress, or online borrowing experience. Their decisions reflect the interaction of knowledge, lifestyle, coping mechanisms, and digital financial access. The findings therefore challenge the assumption that online borrowing automatically reduces investment activity.

For STIE Indonesia Banking School, the results indicate the need to strengthen financial education beyond conceptual knowledge. Financial literacy programs should include debt management, budgeting, digital credit evaluation, emotional regulation, and the distinction between investment and speculation. Since most respondents depend on parental income, education should also emphasize investing according to actual financial capacity rather than using borrowed funds or sacrificing essential expenses.

Regulators and fintech providers should improve transparency concerning borrowing costs, repayment risks, and the consequences of financing consumption through debt. Warning systems could be incorporated into lending applications when users show repeated borrowing patterns or use multiple platforms. Investment platforms should similarly provide risk assessments and educational features to prevent psychologically pressured students from making impulsive investment decisions.

The study ultimately indicates that the main risk is not online lending in isolation but the interaction between borrowing dependency and consumptive behavior. Financial interventions should therefore integrate literacy, behavioral control, psychological well-being, and responsible digital credit usage to support sustainable investment decisions among university students.

CONCLUSION

This study aims to examine the influence of financial literacy, consumptive behavior, psychological pressure, and online loan dependency on the investment decisions of students at STIE Indonesia Banking School, as well as to investigate the moderating role of online loan dependency in these relationships. The findings reveal that financial literacy has a positive and significant effect on investment decisions. This suggests that students with higher financial literacy tend to better understand investment risks and benefits, enabling them to make more rational financial decisions. Consumptive behavior is also found to have a positive and significant effect on investment decisions. This indicates that students with higher consumption levels still exhibit an interest in investing, suggesting that consumptive behavior does not necessarily hinder investment activities, particularly among students who attempt to balance consumption and investment.

Psychological pressure is likewise found to have a positive and significant impact on investment decisions. This implies that financial stress may encourage students to pay greater attention to their future financial conditions, thereby increasing their inclination toward investment as a form of financial planning. In contrast, online loan dependency does not show a significant effect on investment decisions. This indicates that online borrowing is not a primary determinant of students' investment behavior, possibly due to relatively limited usage or students' ability to separate consumption needs from investment decisions.

Regarding moderating effects, only the interaction between online loan dependency and consumptive behavior significantly influences investment decisions. The negative coefficient suggests that online loans weaken the relationship between consumptive behavior and investment decisions. Meanwhile, the interaction effects between online loans and financial literacy, as well as between online loans and psychological pressure, are not statistically significant. Overall, these findings provide practical implications for STIE Indonesia Banking School to strengthen financial literacy, investment education, and debt management programs through seminars, training sessions, and collaboration with financial institutions and the Financial Services Authority (OJK). Enhancing financial literacy is expected to help students utilize digital financial services more wisely and make better investment decisions.

SUGGESTIONS

1. Future research is encouraged to broaden the scope of the study by including students from various public and private universities across different regions in Indonesia. This would improve the generalizability of the findings and provide a more representative understanding of the impact of online loan dependency on students' investment decisions.
2. Subsequent studies may adopt more diverse data collection techniques, such as in-depth interviews, observations, or mixed-method approaches combining quantitative and qualitative methods. Such approaches are expected to reduce respondent bias and provide more comprehensive insights into students' financial behavior.
3. Future research is also recommended to incorporate additional variables that may influence investment decisions, such as financial attitude, financial self-efficacy, risk tolerance, locus of control, income level, and investment experience. Including these variables would provide a more comprehensive understanding of the determinants of investment decisions in the digital era.

RESEARCH LIMITATIONS

This study has several limitations. First, the research is limited to students of STIE Indonesia Banking School, which restricts the generalizability of the findings to all university students in Indonesia. Second, the data were collected using questionnaires, which may introduce respondent subjectivity bias. Third, the study only includes financial literacy, consumptive behavior, and psychological pressure as independent variables, with online loan dependency as a moderating variable; therefore, other potentially influential factors were not considered.

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