

THE RELATIONSHIP BETWEEN ANXIETY AND SOCIAL MEDIA IN STOCK INVESTMENT DECISIONS IN INDONESIA: RISK TOLERANCE AS A MEDIATING VARIABLE

Heni Safitri¹, Giriati¹, Wendy¹

¹Universitas Tanjungpura, Indonesia

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Corresponding Author:

Heni Safitri

Email: henisafitri@gmail.com



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ABSTRACT

The general objective of this study is to see whether anxiety and social media affect investment decision making. This quantitative research uses a survey approach. This survey was conducted in 4 regional areas in Indonesia. Respondents in this study were retail investors who invested in stocks in the Indonesian capital market, totaling 300 respondents. The sampling technique used purposive sampling. Data analysis using Structural Equation Modeling (SEM) with SmartPls. Based on the test results, it can be seen that anxiety and social media have a direct relationship to investment decision making. Risk tolerance used as an intermediate variable in this study proved effective in mediating the relationship between anxiety and social media on investment decisions.

INTRODUCTION

The development of equity investment in Indonesia has shown a positive trend in recent years. This is driven by increasing public awareness about the benefits of investing, easy access through digital platforms, and various educational initiatives from various parties. Although the number of investors continues to grow, many of them still face challenges in making the right investment decisions. The investment decision-making process no longer relies solely on fundamental and technical analysis. Various internal and external factors also play an important role. Investment decisions that were previously more influenced by rational considerations

through traditional financial analysis are now increasingly influenced by non-financial aspects.

This phenomenon is evident in recent years, where social media and online forums have increasingly played a significant role in shaping investor perceptions and decisions. The social environment and the FOMO (Fear of Missing Out) phenomenon are now strong motivating factors for many individuals to make hasty investment decisions. Many people start investing simply because they are inspired by the success of those around them in making profits, without considering the differences in risk profiles and personal financial goals. The practice of buying popular stocks or cryptocurrencies without comprehensive analysis has become more prevalent in recent years.

This shows that the Indonesian capital market is not only influenced by economic factors, but also by complex psychological and social dynamics. This is even more pronounced in the Indonesian stock market, where the market situation and the influence of the social environment greatly affect the investment decision-making process. Therefore, an in-depth study of the aspects that can influence investment decision-making is highly relevant. Such research will help identify the various factors that shape investor behavior in Indonesia, and provide valuable insights for the development of more rational and effective investment strategies.

This study uses anxiety as an internal factor that is predicted to influence investment decision making. It is called an internal factor because anxiety is anxiety that arises from within each individual. Anxiety reflects personality differences between individuals in their tendency to experience feelings of anxiety. Individuals with high levels of anxiety more easily feel anxiety and fear when facing situations that are considered threatening, compared to those with low levels of anxiety. According to (Caplin & Leahy, 2001), the uncertainty of future investment returns can trigger anxiety and reduce the attractiveness of investment products.

Anxiety can also arise from excessive attention or concern about something. The more information investors get, the more anxiety they feel. Anxiety causes individuals to lack confidence and reduces their opportunities to acquire investment-related knowledge. Ultimately, this contributes to the decision not to invest, as suggested by (Van Winden et al., 2011). Apart from internal factors, an investor's investment decision making can also be influenced by external factors. In this study, researchers used the role of social media as an external factor that might influence investment decision making. In today's digital era, almost all individuals cannot be separated from all information conveyed through social media.

The spread of information from social media is very fast. Therefore, social media is considered to have its own role in shaping an individual's perception. It is estimated that by 2026, around 81.82% of the Indonesian population will have their own social media. This figure shows a two-fold increase compared to 2017, where users only reached 47.03% of the total Indonesian population. In addition, around 78.5% of internet users are estimated to use at least one social media account. This number is predicted to increase in the coming years (<https://data.goodstats.id>, 2023). The increase in the number of stock investments is largely driven by the easy access to information through social media.

This transparency and availability of information has significantly broadened the stock investor base, no longer limited to business people alone, but also includes students, housewives, and various types of workers. Today, stock investors come from diverse backgrounds and age groups. Information about stocks and companies has become very accessible. Companies are also leveraging social media as a means to build reputation and spread information about their organization. In addition, social media serves as a platform for companies to interact directly

with their stakeholders. Investment risk is also an important part of making investment decisions.

Basically, every investment decision has its own level of risk. In this study, risk tolerance mediates the relationship between anxiety and social media in making investment decisions. Risk tolerance or risk perception refers to the level of risk that investors are ready to bear when making investment decisions. This is based on the understanding that risk tolerance is an important factor that determines the type and investment strategy chosen by investors. Risk tolerance is defined as the maximum amount of uncertainty that a person is willing to accept when making financial decisions, as stated by (Grable & Roszkowski, 2008).

A deep understanding of individual investor behavior is essential for developing more realistic and accurate investment decision-making models. However, individual investors often make irrational and potentially harmful investment decisions because they are influenced by various behavioral biases such as overconfidence, confirmation bias, loss aversion bias, and others. For example, investors who are overconfident with the information they have tend to ignore the risk of loss.

On the other hand, some investors are too afraid of experiencing losses that they decide not to invest at all. In addition, investors who invest only following the trend without conducting in-depth analysis also pose a problem. By understanding investor behavior more comprehensively, various retail investment policies and products that are more in line with actual investor behavior can be developed. This will facilitate the improvement of the welfare of the Indonesian people through wiser investment practices.

Literature Review

Theoretical Foundation

Behavioral finance theory serves as the grand theory in this study. According to Tversky and Kahneman, humans often use heuristics or shortcuts to evaluate probabilities or make predictions under conditions of uncertainty. Examples include the representativeness and availability heuristics. These heuristics are generally useful, but can sometimes lead to systematic and predictable errors. In their research, Tversky and Kahneman describe three types of heuristics and the biases associated with them. The explanation of these intuition biases contradicts expected utility theory and traditional concepts of rationality.

This is the basis for the emergence of behavioral economics. These findings are not due to the motivation of the research subjects, but to human cognitive limitations. Even trained statisticians exhibit similar biases, as suggested by Tversky and Kahneman (1974). Behavioral finance theory is also discussed in research conducted by De Bondt & Thaler (1985). The results of their research show the existence of overreaction and underreaction effects of stocks to new information that appears in the market. The study revealed that the majority of people tend to overreact to surprising and dramatic news, which often violates normal rules or expectations.

These findings indicate that stock price fluctuations in the stock market can occur not only due to fundamental factors, but also due to the behavior of the investors themselves. Prospect Theory developed by (Kahneman & Tversky, 1979) provides a framework to understand how investors often act irrationally in decision-making, mainly due to the phenomena of loss aversion, framing effect, and reference point. This theory helps explain why investors often act contrary to rational economic principles, especially in uncertain market situations. When faced with potential losses, investors tend to take greater risks than when they are faced with potential

gains. This phenomenon is an anomaly that cannot be adequately explained by traditional finance theory.

Cultivation Theory is a mass communication theory that examines the long-term and cumulative impact of exposure to media, especially television, on audience perceptions of social reality. It was developed in the fields of media communication and sociology. Cultivation theory explains how the effects of long-term mass media exposure can influence audiences' perceptions of social reality, as stated (Shrum, 2017). This theory explains how media content, when consumed repeatedly and over a long period of time, is able to influence the mindset and behavior of the audience (Ulusal, 2022).

Anxiety to Investment Decision

Anxiety refers to a person's ability to manage tension and worry, while neuroticism covers a broader spectrum of negative emotions, including anxiety, mood swings, anger, and irritability (Gambetti & Giusberti, 2019). Anxiety also refers to a person's general tendency to perceive events and situations as threatening, reflecting their general disposition toward anxiety and the level of anxiety characteristic of them (Bernaola et al., 2021). Based on research results, anxiety has a noticeable impact on investment decisions. Studies reveal a negative relationship between anxiety and investing decisions (Gambetti & Giusberti, 2019; Jabeen et al., 2020; Rahman & Gan, 2020). When anxiety reaches a very high level, the individual's self-confidence decreases and the opportunity to acquire investment knowledge decreases, which ultimately leads to the decision not to invest.

Other research results also show a positive relationship between anxiety and risk aversion (Maner & Schmidt, 2006; Yip & Côté, 2013) which indicates that the higher a person's anxiety level, the greater their tendency to avoid risk in the context of investment. Anxiety has been shown to be an effective predictor in explaining the link between personality traits and investment decision making. Research (Lim & Kim, 2019) shows that anxiety has a causal influence on investment decisions, where individuals with high levels of anxiety tend to avoid participating in the stock market and choose investments with lower risk. According to (Jabeen et al., 2020), anxiety is a strong driver of herding bias, which then affects the investment decision-making process.

Social Media on Investment Decisions

Social media is a digital platform that allows users to interact, communicate, share content and network virtually. Some examples of social media platforms include Facebook, WhatsApp, Twitter, Instagram, YouTube, LinkedIn, online forums and communities, and various other content sharing platforms. The features available on these platforms allow interaction between users in various forms such as commenting, liking content, sharing content, and sending direct messages. Through these platforms, users can connect with each other, share information, conduct discussions, and influence each other.

S. Singh & Chakraborty (2024) states that social media encourages active participation of investors in the stock market because it provides access to higher quality information that can support the decision-making process. Research (Sani & Paramita, 2024) confirms that social media has a significant influence on investment decision making. However, there are different findings from (Widyawati & Imronudin, 2024) which show that social media has no influence on the investment decision-making process. This difference in research results suggests that the relationship between social media and investment decisions is still a debated topic in the financial literature.

Research Hasselgren et al. (2022) and P.H. & Uchil (2020) reveals that social media can influence investor sentiment which ultimately impacts their investment decisions. Social media can shape market perceptions and influence the collective mood of investors. However, there are different views from Pandit & Vaidya (2022) and Shanmugham & Ramya (2012) which show that social media or the internet has no significant influence on investment decision making. This difference in findings confirms the complexity of the relationship between social media and investment behavior. Chaitanya & Nordin (2021) explains that the impact of social media is quite extensive, influencing the thinking, behavior, and attitudes of the audience. This suggests that while its influence on investment decisions is still debated, social media remains a factor that can shape the way its users think and act in a variety of contexts.

Risk Tolerance

Kasoga (2021) defines risk tolerance as the level of readiness of an investor to face risks when deciding on an investment strategy. Risk tolerance serves as a mediating factor between heuristic bias and the investment decision-making process. In the context of this research, risk tolerance is placed as a mediating variable to analyze how anxiety and social media affect the decision-making process in investing. Ahmad & Shah (2022) suggests that risk perception can act as a moderating variable in the relationship between emotional bias and investment decisions. Meanwhile, a study conducted by Almansour et al., (2023) revealed that risk perception is able to mediate the relationship between financial behavioral factors and the investment decision- making process.

This shows the important role of risk perception both as a moderator and mediator in the context of investment behavior. El Maghawry Ibrahim (2022) states that risk tolerance acts as a mediator in the relationship between personal traits, including anxiety, and the investment decision- making process. Research conducted by (Thanki et al., 2020) shows a new perspective that links various important behavioral and psychological factors such as financial anxiety, financial satisfaction, obsession with money, personality type, self-esteem, and sensation-seeking behavior which all show a positive correlation with risk tolerance which then impacts investment decisions. Thus, it can be concluded that risk tolerance has a mediating function in the relationship between behavioral and psychological factors and investment decision making.

METHODS

Form of Research

This research is quantitative research with a survey approach. Survey research is research by not making changes to the variables studied. The survey method can be carried out on research objects with either large or small populations. The data studied is data from samples taken from the population. Survey research is generally conducted to take a generalization of an observation (Siregar, 2017).

Place and Time of Research

This study takes place in Indonesia and focuses on retail investors who are active in investing in stocks in the Indonesian capital market. The research subjects are limited to investors who are domiciled in the Indonesian region. The selection of Indonesia as the research location is based on the country's strong collective cultural characteristics, coupled with the high penetration rate of social media, which together create a unique situation in terms of information dissemination and the investment decision-making process. The relatively high

volatility of the Indonesian market also provides an opportunity to analyze investors' emotional responses to changing market conditions. The research sample will be drawn from all 34 provinces in Indonesia, which will then be grouped into four regional areas. The regional division is as follows:

Table 1. Regional division

No.	Regional Area
1.	Regional Area A (Aceh, Riau, Riau Islands, West Sumatra, North Sumatra)
2.	Regional Area B (South Sumatra, Lampung, Kep. Babel, West Kalimantan, Central Java, West Java, Jambi, Jakarta, Yogyakarta, Bengkulu, Banten)
3.	Regional Area C (Bali, East Java, South Kalimantan, Central Kalimantan, East Kalimantan, Kaltara)
4.	Regional Area D (Gorontalo, Maluku, North Maluku, NTB, NTT, Papua, West Papua, West Sulawesi, South Sulawesi, Central Sulawesi, Southeast Sulawesi, North Sulawesi)

Data Type and Source

This study uses primary data taken using a questionnaire. The questionnaire was given to stock investors who entered the sample criteria in this study. The questionnaire will be distributed using google form. Researchers used a measurement scale in the research questionnaire instrument, specifically the Likert scale. Hartono (2018) explains that the Likert scale serves to classify subjects into a 5-point or 7-point scale with uniform intervals. In this study, researchers chose a Likert scale because it can minimize measurement error and provide a higher level of precision. The seven levels of the scale used include: (1) strongly disagree, (2) disagree, (3) moderately disagree, (4) neutral, (5) moderately agree, (6) agree, and (7) strongly agree.

Population and Sample

The population in this study are all stock investors who are active and registered on the Indonesia Stock Exchange. The sample amounted to 300 respondents with the following criteria: Investors domiciled in Indonesia, at least 1 year of investing in stocks, and managing their investments independently. The sampling technique used in this study is purposive sampling.

Data Analysis Tools

Researchers used the Structural Equation Modeling (SEM) analysis method with the help of the SmartPLS application to process and analyze research data. The testing stages are as follows:

Model Estimation

In this study, the estimation method applied is the least square method. The parameter estimation process produces an outer loading value that indicates the strength of the relationship between the latent variable and its indicator, where indicators with higher correlation will show a larger outer loading value. In interpreting the results, there is a threshold value criterion for outer loading: (1) Indicators with an outer loading value below 0.7 are

categorized as insignificant. In this situation, a re-test of significance or removal of the indicator from the model is required; (2) Indicators with an outer loading value of 0.7 or higher are considered significant and retained in the model.

Indicator Reliability

Reliability is a measurement of the internal consistency of the indicators of a construct. A high level of reliability indicates that all indicators are consistent in their measurements. The level of reliability can be identified through the outer loading value on each indicator. The loading factor value between 0.5-0.6 is sufficient for research in the early stages. Meanwhile, indicators with a loading factor value exceeding 0.7 are categorized as highly valid and eligible for use in research.

Coherent Validity

Before testing the model that has been developed, the initial stage that must be carried out is validity verification and reliability estimation. An indicator is declared valid if it has an AVE (average variance extracted) value greater than 0.5. The AVE value represents the average percentage of variance score extracted from a group of latent variables, which is estimated through the standardized loading of its indicators in the PLS algorithm iteration process.

Internal Consistency Reliability

Internal Consistency Reliability is an indicator that describes the level of trust and reliability of a measurement instrument. A measurement instrument is considered reliable when it is used repeatedly to measure the same phenomenon and produces relatively stable data. To determine this reliability, the composite reliability method can be used, where the instrument is considered to meet reliability standards if the composite reliability value exceeds 0.7.

Variance Inflation Factor (VIF)

In the early stages of structural model evaluation, researchers need to check the collinearity between constructs to prevent multicollinearity, a condition in which there is a strong correlation between two or more independent variables that can damage the predictive ability of the model. In the analysis using SmartPLS, multicollinearity can be detected through the Variance Inflation Factor (VIF) value, with the criterion that the VIF value must be less than 5 to ensure the model has accurate predictions.

Coefficient of Determination (R^2)

Evaluation of the structural model (inner model) is carried out by analyzing the percentage of variance explained through the R^2 value, which serves as an indicator of the extent to which endogenous variables can be explained by exogenous variables. In SmartPLS analysis, the coefficient of determination (R^2) is expected to be in the range of 0 to 1. Referring to the criteria put forward by Chin, an R^2 value ≥ 0.75 indicates a strong construction, an R^2 value between 0.50 to 0.74 is categorized as moderate, while an R^2 value between 0.25 to 0.49 is classified as weak.

Goodness of Fit

Model accuracy is measured using Standardized Root Mean Square Residual (SRMR). SRMR serves to evaluate model fit by calculating the average absolute difference between observed and predicted correlations. This technique transforms the covariance matrix into a correlation matrix, then calculates the root of the standardized mean square residual. The working principle of SRMR is to compare the pattern of relationships between variables in empirical data with

the theoretical model built. The lower the SRMR value indicates a better level of model fit, thus helping researchers in assessing how well the model can explain the data. In interpreting SRMR results, values below 0.10 or 0.08 are generally considered indicators of a model that has good fit.

Analysis of Direct Effect, Indirect Effect and Total Effect

Researchers can also analyze the strength of the relationship / influence between constructs, both direct, indirect and total relationships: (1) The direct effect is the coefficient of the line with one end arrow and occurs in the two constructs that the one-way arrow line points to; (2) An indirect effect is an effect that arises through an intermediate variable and occurs on two constructs that are not addressed by the one-way arrow line.

RESULTS AND DISCUSSION

Respondent Profile

The following data is presented regarding the profile of the respondents used in this study.

Table 1. Respondent Profile

Profile	N	Percentage (%)
Gender		
Male	202	67
Female	98	33
Age		
20-29	174	58
30-39	74	25
40-49	38	13
50-59	14	5
Regional Area		
Regional A	56	19
Regional B	162	54
Regional C	69	23
Regional D	13	4
Last Education		
High School	20	7
S1	268	89
S2	12	4
Job		
Student	35	12
Private Employee	131	44
Civil Servant	37	12
Entrepreneur	78	26
Housewife	9	3
Profession	10	3
Income Per Month (Rp)		
1.000.000-3.999.999	70	23
4.000.000-6.999.999	110	37
7.000.000-9.999.999	52	17
>10.000.000	68	23

Based on the respondent data, it can be seen that most of the respondents are male, aged between 20-29 years, most of the respondents come from regional B, namely South Sumatra, Lampung, Kep. Babel, West Kalimantan, Central Java, West Java, Jambi, Jakarta, Yogyakarta, Bengkulu, Banten, have a bachelor's degree, work as private employees with an income of around Rp 4,000,000 - Rp 6,999,999.

Indicator Reliability and Coherent Validity

Outer loadings are used to see the loading factor of each indicator used. If the loading factor value is more than 0.7, the indicator is very valid and suitable for use. An indicator is considered valid when the indicator has an AVE (average variance extracted) value above 0.5. Internal Consistency Reliability is measured by the value of composite reliability, namely the construction is considered reliable if the composite reliability value is > 0.7 . The minimum value is 0.7 while the ideal is 0.8 or 0.9. The following are the results of outer loading, construct reliability and validity.

Table 2. Outer Loadings, Construct Reliability and Validity

Variable/Item	Loading	Cronbach's α	CR	AVE
Anxiety		0,874	0,911	0,721
ANX1	0,000			
ANX2	0,000			
ANX3	0,000			
ANX4	0,000			
Social Media		0,861	0,934	0,875
SM1	0,000			
SM2	0,000			
Risk Tolerance		0,906	0,934	0,780
RT1	0,000			
RT2	0,000			
RT3	0,000			
RT4	0,000			
Investment Decision		0,837	0,891	0,672
ID1		0,000		
ID2		0,000		
ID3		0,000		
ID4		0,000		

Indicator loading factors for all variables in the study, both exogenous, endogenous, and mediation, show values exceeding 0.7. This indicates that all indicators have high validity and are eligible for use in the analysis. In addition, the Cronbach's α value is above the 0.6 threshold and the Average Variance Extracted (AVE) value for all variables exceeds 0.5. These figures reflect an adequate level of convergent validity, which means that on average, latent variables are able to explain more than 50% of the variation that occurs in their measuring indicators. Tests also show that the composite reliability values for all variables are above 0.8, confirming that all variables used in this study have ideal reliability. Thus, the measurement instruments used in this study are reliable and trustworthy.

Variance Inflation Factors (VIF)

According to (Sarstedt & Cheah, 2019) multicollinearity in SmartPLS can be seen in the Variance

Inflation Factor (VIF) value where the VIF value must be <5 . The following are the test results for the VIF value.

Table 3. Variance Inflation Factor (VIF)

Variable	Investment Decision	Risk Tolerance
Anxiety		1,003
Risk Tolerance	1,000	
Social Media		1,003

Analysis of the Variance Inflation Factor (VIF) value indicates that all relationships between exogenous variables and endogenous variables have VIF values less than 5. This finding confirms that there is no multicollinearity problem between exogenous variables and endogenous variables, which means that each exogenous variable does not show too high a correlation with each other. Thus, the research model is free from the problem of independent variables that are strongly correlated with each other which can interfere with the results of the analysis.

Coefficient of Determination (R^2)

According to Chin's criteria, the R^2 value of 0.67 is referred to as a strong construction, 0.33 is referred to as moderate and 0.19 as weak. The results of the coefficient of determination can be seen in the following table:

Table 4. Coefficient of Determination (R^2)

	R Square	R Square Adjusted
Investment Decision	0,509	0,507
Risk Tolerance	0,213	0,207

The coefficient of determination shows that investment decision can be explained using anxiety and social media variables with an R^2 value of 0.509, which means it has a strong relationship. In addition, the risk tolerance variable can also be explained by the anxiety and social media variables with an R^2 value of 0.213, which means it has a moderate relationship.

Goodness of Fit

The interpretation of SRMR can be seen from the magnitude of the value where less than 0.10 or 0.08 is considered suitable. The goodness of fit results can be seen in the following table.

Table 5. Model Fit

	Saturated Model	Estimated Model
SRMR	0,070	0,073
Criteria	Model Fit	Model Fit

Based on the results of model fit testing, it can be seen that the saturated model and estimated model values are below the threshold of 0.10 or 0.08. These findings confirm that the model implemented in this study has a good level of fit and is free from model specification errors. Thus, the model structure developed is reliable for analyzing the relationship between the variables studied.

Direct Effect and Indirect Effect Analysis

If the probability ≤ 0.05 (P-value). This means that the independent variable partially has a significant effect on the dependent variable at 5% error ($\alpha = 0.05$). However, if the probability \geq

0.05 means that the independent variable partially does not have a significant effect on the dependent variable at an error of 5% ($\alpha = 0.05$). The test results for direct effect, indirect effect, and total effect can be seen in the following table.

Table 6. Direct Effect

	Original Sample (O)	P Values	Result
Anxiety -> Investment Decision	-0,302	0,000	Negative significant
Anxiety -> Risk Tolerance	0,423	0,000	Positive significant
Risk Tolerance -> Investment Decision	0,714	0,000	Positive Significant
Social Media -> Investment Decision	0,150	0,001	Positive Significant
Social Media -> Risk Tolerance	0,210	0,000	Positive Significant

From the direct effect results, it can be seen that the anxiety variable has a negative effect on investment decisions. Anxiety has a significant negative effect on risk tolerance. Risk tolerance variables have a significant positive effect on investment decisions. Social media variables have a significant positive effect on both investment decisions and risk tolerance. The findings of the anxiety variable analysis reveal a significant negative effect on investment decision making among Indonesian stock investors. This result illustrates that when the level of individual anxiety increases, the tendency to make investment decisions will decrease. Investors with high levels of anxiety generally show reluctance in the investment decision-making process, reflecting the inverse relationship between anxiety and courage in investment activities in the stock market. In addition, the higher the level of investment risk, the higher a person's anxiety level will be. This study shows that social media has a positive effect on both investment decisions and risk levels. This explains that, the higher the use of social media, the more opportunities there will be in making investment decisions. Meanwhile, the higher the use of social media, the higher the risk tolerance of an investor.

Table 7. Indirect Effect

	Original Sample (O)	P Values	Result
Anxiety -> Risk Tolerance -> Investment Decision	-0,302	0,000	Mediate
Social Media -> Risk Tolerance -> Investment Decision	0,150	0,001	Mediate

The indirect effect results explain that risk tolerance which is used as a mediating variable in this study can mediate the relationship between anxiety and social media on investment decisions. Risk tolerance acts as a mediator in seeing the relationship between anxiety and investment decision. Anxiety, which is an emotional state characterized by feelings of worry and uncertainty, tends to affect a person's perception and risk management in the financial field. A person with higher levels of anxiety usually shows lower risk tolerance, indicating that they feel uncomfortable when dealing with uncertain situations and the possibility of

experiencing losses in investment activities. In addition, the quality of financial information consumed through social media may enhance or distort investors' understanding of risk, which in turn affects how much risk they are willing to take. Therefore, investors with higher risk tolerance tend to invest in higher-risk assets with greater potential returns. Conversely, investors with low risk tolerance tend to choose safer investments even with lower returns. The following is a picture of the framework of thought in this research:

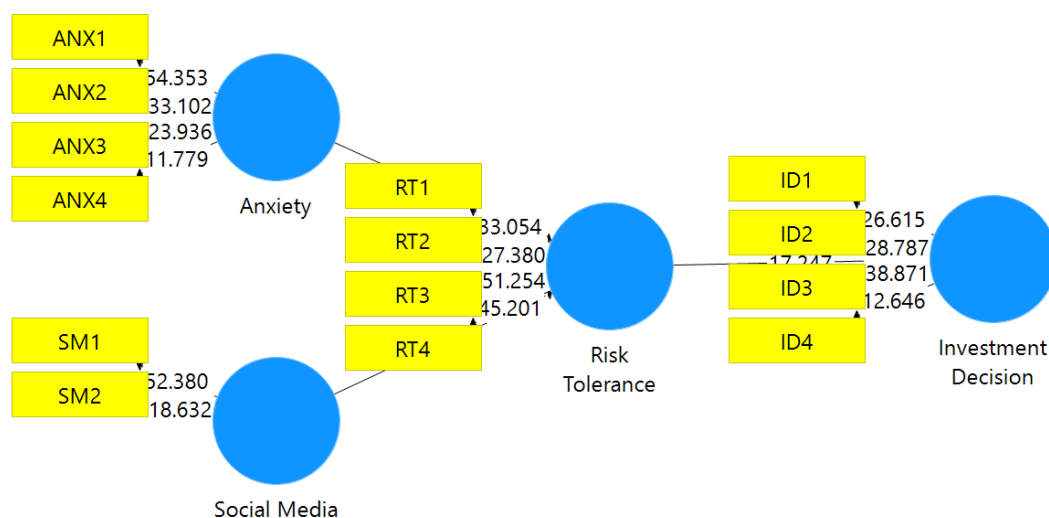


Figure 1. Research Framework

CONCLUSION

From the overall results of this study, it can be concluded that anxiety and social media directly affect investment decision making. Risk tolerance used as a mediating variable can mediate the relationship between anxiety to investment decision making and social media to investment decision making. Thus, this study provides valuable insights into the dynamics of investment decision making in Indonesia. The results of this study reveal that not only internal factors in the form of anxiety affect investment decision making but external factors such as social media also affect investment decision making. The relationship between social media and investment decision making is inseparable from the current digital era. In addition, the relationship between these internal and external factors is related to the level of risk tolerance of each investor to determine their investment decision making.

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