Emotional Intelligence, Financial Literacy, and Investor Intention: Empirical Study on University Students During the Covid-19 Pandemic

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Abstract:
The Covid-19 has resulted in changes in individual activities, thus leading to behavioral changes. In particular, university students experience changes in teaching and learning activities resulting in a gap between the amount of time spared and the lack of activities university students can do. This is a momentum for university students to create new activities, one of which is investing in the capital market. We examined the relationship between emotional intelligence and student invention to become an investor, as well as the moderating effect of financial literacy on the relationship. This research was conducted at six universities in Surabaya from March to June 2021. We found evidence that emotional intelligence had a positive effect on student's intention to become investors, and financial literacy was able to strengthen this influence. This study contributed to a greater understanding of the importance of emotional intelligence and financial literacy when university students intend to become investors, especially when capital market uncertainty increases. When the uncertainty of the capital market increases, university students must be able to assimilate emotional intelligence with their financial literacy to receive greater returns. This can encourage university students to choose their careers as investors. These findings have significant theoretical contributions and provide recommendations for industry and policymakers

Keywords: Investor intention, emotional intelligence, financial literacy, Covid-19 pandemic

1. Introduction

By the end of 2019, the world community was "shocked" by a disease outbreak that occurred in Wuhan, China. The outbreak was caused by the SARS Cov-2 virus, which was later known as Corona Virus Disease-19 (Covid-19). The virus spread occurred rapidly to many countries, causing the World Health Organization (WHO) to declare a pandemic status on March 11, 2020, due to the large number of people around the world who were infected by the virus. In particular, Indonesia is a country with the highest rate of Covid-19 infection cases in the world, making the Indonesian government give efforts to limit individual activities to reduce the impact of the virus spreading. This rule is binding on all components of society in Indonesia. Specifically, university students as a component of society, feel the impact of the regulation. The prolonged Covid-19 pandemic situation has made learning and teaching activities carried out online, making university students do all their activities from home. The Covid-19 pandemic creates a gap between the amount of time spared and the lack of activities that university students can do, thus providing space for them to engage themselves with other activities that can be done at home.

Industry 4.0 makes an important contribution to the running of individual activities during the Covid-19 pandemic. Advances in information technology help an individual to carry out all activities with their information technology devices. University students are individuals who are very close to mastering information technology, helping them to use these technological devices for their self-development process in line with the knowledge they have. One of the interesting technological developments in Indonesia is the proliferation of stock trading software developed by investment managers to attract new investors, one of which is university students. According to the data from the Kustodian Sentral Efek Indonesia (KSEI) in April 2021, during the Covid-19 pandemic, the number of new investors grew by 31.11%. In addition, the data shows that university students rank second as active individual investors with a total of 27.28%. This data shows that the active role of university students in the capital market during the Covid-19 pandemic is huge to fill their spare time during the pandemic. The Covid-19 pandemic has created momentum for them to study the real capital market situation and apply their knowledge. This is very useful for university students to make investment activities in the capital market as one of their alternative career choices in the future.

The economic situation during the Covid-19 pandemic is in a difficult phase for each individual that they must think rationally about the economic actions that should be taken. This is an important task for university

students when investing in the capital market, considering that investing in the capital market carries a high risk. A study found that 32% of investors generally fail to understand their investment goals and about 30% of them are entangled between their views and the advice of their financial advisors (NATIXIS, 2016). This results in investors being misinformed, confused, conflicted about what they want with what they might get (NATIXIS, 2016). This explains that investing in the capital market requires clear thinking and a rational mind (Rubaltelli et al., 2010) so that investors can align the expected returns with their risk tolerance (Hoffmann & Post, 2017). This condition makes university students, as a beginner in investing, need a strong understanding of rational considerations between expected returns and accepted risks so they do not experience fatal failures when starting investment activities and still decide to become investors for their future career choices. Therefore, it is necessary to understand how university students plan to invest and what factors influence their investment intentions in the stock market.

Many factors influence the investment decision-making process, such as cognitive and emotional weakness, limited rationality, intuitive reasoning, fundamental heuristics, limited information, qualification demographics, financial knowledge, income level, anomalies, and previous experience of investing (Ahmad & Shah, 2020; Akhtar & Das, 2019; Aydemir & Aren, 2017; Raut et al., 2020). Aydemir & Aren (2017) explain individual factors that influence individual intentions to invest in risky assets and include a moderator of financial literacy in this relationship. Akhtar & Das (2019) introduce the construct of the planned behavior theory influencing individual intentions to become an investor and include a moderator of financial literacy in the relationship. The study of Ahmad & Shah (2020) explains the importance of exploring heuristic biases, which influence investor's decisions, and considering the mediator and moderator variables to clearly understand how psychological factors influence investment-related choices.

Many studies have examined individual intentions to become an investor without considering the individual factors that drive these intentions. In this study, the researchers explore the mechanism by which emotional intelligence affects university students' intentions to become investors with financial literacy as the moderation. Moderation analysis is considered to understand the complexity of the relationship between emotional intelligence and stundents' intentions to become investors. Based on previous research, it is important to involve financial literacy as a moderator in this relationship. Our work is a pioneering study in this context. This is based on the absence of previous research that specifically addresses this issue in the student context.

This study uses the Theory of Planned Behavior (TPB) to analyze university students' intentions to become potential individual investors. This model has previously been used to test individual investment intentions (Alleyne, 2011; Hoffmann & Post, 2017; Koropp et al., 2014). This theory proposes that an individual's intention to invest is a direct antecedent of their behavior. This is based on the fact that behavioral bias affects investors' decisions (Itzkowitz & Itzkowitz, 2017). According to behavioral finance experts, every individual has psychological biases that prevent them from making rational decisions, as well as having the unpleasant consequences of a poor investment, decisions, and the level of investor performance. Intuitive reasoning, judgment, and choice can also affect the quality of financial decisions (De Bondt et al., 2013) or leads to irrational behavior (Bashir et al., 2013). Particularly, university students have great obstacles to maintain their rational decisions that failure will "haunt" them when they started to become investors. The age of university students who tend to be young affects their psychology, so the decisions they make involve strong psychological factors in investing.

There are three motivations for conducting this research. First, the Covid-19 pandemic has become a momentum for university students to form their intentions to become investors. The amount of spare time during the pandemic encourages university students to be actively involved in investment activities in the capital market. The amount of time spent at home makes university students actively formed positive activities that can help their economic life in the future. Moreover, the difficulty in the economic situation caused by pandemics encourages university students to be more aware of financial behavior so they do not behave consumptively (Lusardi & Mitchell, 2011). Second, the young age of university students has a strong influence in making decisions. Young people tend to have less stable emotions so it is difficult to make good rational decisions. Individuals' intentions to form certain decisions are highly dependent on their cognitions and emotions (Matters, 2008). Therefore, university students need to exercise their emotional intelligence to help form rational decisions in becoming investors. Third, learning financial independence is important for us to help them in the future. University students have been emphasized to be able to make economic decisions that can create their financial independence (Potrich et al., 2016).

2. Literature Review

2.1. Theory of Planned Behavior and Investor Intention

The Covid-19 pandemic has changed many individual activities that lead to behavioral changes. Activity restrictions during a pandemic resulted in individuals trying to find new activities so new habits will arise that

cause behavior changes. Theoretically, individual behavior has been explained by Ajzen (1985) in the Theory of Planned Behavior (TPB). This theory is the development of the Theory of Reasoned Action (Fishbein & Ajzen, 1980). The theory of planned behavior is one of the leading models explaining motivation in human behavior (Ajzen, 1991). This theory explains the motivation of individuals to behave based on three factors, namely: attitudes, subjective norms, and perceived behavioral control which captures intentions. Attitude can be defined as the extent to which an individual obtains a positive or negative assessment of performing a particular behavior (Ajzen, 1991), while subjective norms are defined as social pressures that force individuals to engage in certain behaviors (Ajzen, 1991). Furthermore, perceived behavioral control is defined as an estimate and prediction of behavior that does not fully measure the perceived difficulty or difficulty faced by an individual while performing a particular behavior (Ajzen, 1991).

Several studies have applied the theory of planned behavior to predict an individual's intention to invest in financial markets. This study has provided the basis for the application of the theory of planned behavior in investment intentions. The theory of planned behavior was used to determine investment intentions in UK private industry and found that intentions were largely influenced by factors such as advice from friends and availability of funds (East, 1993). In addition, the study of Phan & Zhou (2014) explained that psychological factors such as overconfidence, optimism, herd behavior, and attitudes are important factors of investment intention.

Investment intention is closely related to behavioral intention as a direct antecedent of behavior (Ajzen, 2002). Investing in the financial market is a risky investment so the decisions made are strongly influenced by the behavior of these investors. The study of Libby & Fishburn (1977) has explained that the decision to invest in financial markets is very risky because the consequences of the choices are uncertain. This level of uncertainty is ofter measured by perceived risk (Cho & Lee, 2006). It motivates investors to make decisions by engaging in certain behavior patterns (Dowling & Staelin, 1994). An individual's willingness to perform a particular behavior is based on the fulfillment of the most favorable preconditions of the intention (Yadav & Pathak, 2017). This explains that individuals have the intention to invest when the preconditions of the intention have been met and provide benefit for them. Emotional intelligence and financial literacy are the prerequisites for investors to form intentions when investing. Emotional intelligence directs individuals to manage their emotions skillfully so the risk consideration process will get easier. In addition, financial literacy is financial knowledge that shapes individual attitudes in shaping financial decisions (Huston, 2010). This explains that financial literacy helps individuals to have the intention of becoming investors with the financial knowledge they have.

2.2. *Emotional Intelligence and University Student Intention to Become Investors*

Emotional intelligence is a set of abilities that includes the ability to feel emotions in oneself and others, use emotions to facilitate performance, understand emotions and emotional knowledge, and regulate emotions in self and others (Mayer & Salovey, 1997). In this context, emotional intelligence is debated in four dimensions, all of which are the perception of emotions, managing emotions in oneself, and others also using them in action. The appeal of emotional intelligence reflects the idea that success is determined not only by well-known abilities, such as verbal and quantitative abilities but also by abilities related to emotions (Cote & Miners, 2006). In the context of decision making, recent research has confirmed that emotions can increase output and all processes in decision making (Hess & Bacigalupo, 2011). Emotions become an integral part of the rational process so the decision-making process becomes better with higher emotional intelligence (Aydemir & Aren, 2017; Cote & Miners, 2006).

The Covid-19 pandemic has created uncertainty in the capital market. Investors have high concerns about the speed of economic recovery due to uncertainty regarding the end of this pandemic. This condition creates anxiety for investors, making it difficult for them to make good decisions. Investors prioritize risk-taking by predicting the possibilities that will occur in the future market. This leads investors to struggle between making choices and managing their emotions skillfully (Chapman, 2006). University students as beginner investors have bigger obstacles during the Covid-19 pandemic. The lack of knowledge about the capital market situation makes it increasingly difficult for them to make the right decisions during a pandemic. This allows university students to fail as investors, thus enabling them to withdraw from the capital market in the future. Therefore, emotional intelligence becomes important for university students in the decision-making process when market uncertainty increases due to the Covid-19 pandemic. Aydemir & Aren (2017) stated that recognizing and understanding our emotions will influence risk-choice behavior by reducing avoidable mistakes.

Many studies have revealed emotional intelligence as a significant factor in risk-taking (Ameriks et al., 2009; Demaree et al., 2008; Olson, 2006; Satterfield, 1998). Satterfield (1998) stated that individuals' cognitive and affective states can be related to their risk-taking behavior. In addition, Olson (2006) stated that emotions that are ignored by the classical financial paradigm can have an impact on financial behavior. Moreover, Demaree et al. (2008) have stated that emotional reactions can influence risk-taking behavior. More importantly, Ameriks et al. (2009) have shown that higher financial performance is associated with higher emotional intelligence. Previous research has succeeded in linking emotional intelligence to risk-taking behavior. However, no studies are examining the relationship between emotional intelligence and intention to become an investor.

Thus, we hope that emotional intelligence can influence the intention to become investors, especially university students, by increasing their self-confidence and facilitating the challenge of being actively involved in the capital market by making the right decisions based on their emotions. University students with good emotional intelligence can handle the negative impact of decisions taken, especially in conditions of high uncertainty. By understanding and skillfully managing their emotions, university students can easily make the decision even in uncertain situations. They may feel more optimistic and confident, and this allows them to decide to become investors because their emotions can shape risk perception about alternative risky investment choices. Therefore, this study formulates the hypothesis that:

H1: Emotional intelligence has a positive effect on university students' intentions to become investors

2.3. The Moderating Role of Financial Literacy on the Effect of Emotional Intelligence on University Students' Intentions to Become Investors

The Organisation for Economic Co-operation and Development OECD (2005) conceptualized financial literacy as the combination of awareness, knowledge, abilities, attitudes, and behaviors needed to make financial decisions and, accordingly, to achieve individual financial wealth. Servon & Kaestner (2008) described it as a person's ability to understand and use financial concepts. Financial literacy is different from an individual's level of financial education or financial knowledge. The construction of financial literacy is deeper than financial education (Potrich et al., 2016). Huston (2010) argued that financial literacy has two dimensions: understanding, which represents personal financial knowledge, financial education, and use, which refers to the management of personal financial knowledge. In this context, an individual can have financial knowledge, but to be considered literate, they must have the ability to apply it when making decisions. Therefore, financial literacy is deeper than the basic concepts of financial education (Huston, 2010; McCormick, 2009).

The uncertainty of the capital market environment due to the Covid-19 pandemic has made it difficult for investors to process data properly related to economic developments. This allows investors to use their predictions to estimate the possible stock investments they make. Specifically, university students as beginner investors have a high level of anxiety when the uncertainty of the capital market environment increases. Good emotional awareness is needed to minimize university student failures in analyzing the capital market situation during the Covid-19 pandemic. In addition, university students need financial literacy to increase their confidence when dealing with market situations that experience uncertainty (Shahrabani, 2012). University students with good financial literacy have a better understanding of risk so they can assimilate with their emotional abilities in choosing risk. Financial literacy encourages university students' emotional intelligence to act better in line with financial rationality so they can choose their investments well. This causes university students as beginner investors to consider their future careers as investors.

Previous research revealed the importance of financial literacy for individual finances. Financial literacy has increased individuals' responsibility for their financial planning since the global crises (Mandell & Klein, 2009; Robb & Woodyard, 2011). The diversity of complex financial products makes financial literacy important for each individual (Van Rooij et al., 2007). In addition, Diacon (2004) has shown that financial experts and people with less knowledge of finance have different perceptions of risk. Financial experts prefer riskier alternatives to laypeople due to their low-risk perception. Wang et al. (2011) concluded that the scale associated with finance is highly correlated with the scale associated with risk. Furthermore, the study of Luigi & Jappelli (2008) confirmed that financial literacy has a positive impact on investors to diversify their portfolios. In addition, financial literacy directs individuals to have post-retirement financial readiness (Lusardi & Mitchelli, 2007). More importantly, the study of Van Rooij et al. (2007) has explained that financial literacy increases investor participation in the financial stock market and is highly correlated with the scale associated with risk.

Thus, we hope that financial literacy can encourage university students' emotional intelligence that will affect their intention to become investors. Good financial literacy is expected to encourage university students' self-confidence so they can produce rational decisions in a good mood. Financial literacy encourages university students to be more optimistic about choosing a career as an investor because financial literacy can help emotional intelligence getting better at considering risks in the alternative investment choices (Luigi & Jappelli, 2008). Therefore, this study formulates the hypothesis that:

H2: Financial literacy increases the influence of emotional intelligence on university students' intentions to become investors

3. Methodology

3.1. Measurement Development

Table 1 below presents the measurement progression for the different research constructs. To ensure validity, this study adapted items for each construct from previous studies. First, the study adopts the item for intention to become an investor based on a previous study from Aydemir & Aren (2017). Items for emotional

intelligence, the research followed Aydemir & Aren (2017). However, we used a reduced version of the 13 items generated from our pilot study. This reduction scale includes all four subscales (accepting emotions, managing own emotions, managing emotions in others, and using emotions). For all dimensions, higher scores indicate higher levels of emotional intelligence. The scale items are coded as P1 and P2 for feeling emotions; MS1, MS2, and MS3 to manage our own emotions; MO1, MO2, and MO3 to manage other people's emotions; and U1, U2, and U3 as using emotions. In addition, the study adapted items for financial literacy from Potrich et al. (2016). However, we used a reduced version of 7 items generated from our pilot study. This reduction scale includes all three subscales (financial attitude, financial behavior, advanced financial knowledge). For all dimensions, a higher score indicates a higher level of financial literacy. Scale items are coded as FA1, FA2 as FA3 for financial attitude; FB1, FB2, and FB3 for financial behavior; AFK for advanced financial knowledge.

Since the original version of the questionnaire was in English, this study used the back-translation method to convert the items into Indonesian. This study conducted a trial to ensure the validity and reliability of the scale. This study collected 48 questionnaires from subjects who knew their intention to become investors in university students. Data analysis shows that Cronbach's alpha is 0.809, which is above the standard of 0,70 implied a strong internal consistency of the items used. However, this study made minor changes to the questionnaires based on feedback from pilot testing. The final version of the questionnaire is presented in Table 1 below. This study measured all items on a five-point Likert scale. For the advanced financial knowledge item, each correct answer from the group scored 2,0. Thus, university students who correctly answered two questions in the advanced knowledge group received two points for each question (four points in total). According to this scale, the higher the score, the better the level of financial knowledge.

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Table 1 Final construct of the questionnaire

Items	Wording
Risky Investment Intention	
IN1	While making an investment decision, I generally prefer risky alternatives
IN2	If I were going to make an investment, I would consider risky investment alternatives
IN3	The likelihood of buying risky investments is high
IN4	My willingness to buy risky investments is high
Emotional Intelligence	
P1	I am aware of my emotions as I experience them
P2	By looking at their facial expressions, I recognize the emotions people are experiencing
MS1	When I am faced with obstacles, I remember the times I was faced with similar obstacles and overcame them
MS2	I expect good things to happen
MS3	When I am faced with a challenge, I give up because I believe I will fail
MO1	I like to share my emotions with others
MO2	I arrange events others enjoy
MO3	I present myself in a way that makes a good impression on others
U1	When my mood changes, I see new possibilities
U2	When I am in a positive mood, solving problems is easy for me
U3	When I feel a change in my emotions, I tend to come up with new ideas
Financial Literacy	
FA1	It is important to control monthly expenses
FA2	It is important to save money on a monthly basis
FA3	It is important to have and follow a monthly expense plan

FB1	I go more than one month without balancing my expenses
FB2	I save monthly
FB3	I save so I can buy something expensive (e.g., a car)
AFK	**Which of the options below best describes the stock market's functions?**
	Allow for the meeting of people who want to buy and sell shares
	Predict gains of shares
	Increase the prices of shares
	Do not know
	Considering a long time period, (e.g., 10 years), which asset described below normally gives the highest rate of return?
	Account
	Bond
	Stocks
	Do not know
	Which statement is correct?
	Once investing in investment refunds, it is not possible to take the money out in the first year
	Investment refunds can be invested in many assets, such as shares and securities
	Investment refunds pay assured return rates that depend on past behavior
	None of them
	Do not know
	Normally, which asset exhibits higher oscillations over time?
	Savings account
	Shares
	Public securities
	Do not know
	When an investor diversifies, his investments are divided among different assets
	The risk of losing money:
	Increases
	Decreases
	Remains the same
	Do not know

3.2. Data Collection

This research was conducted by distributing structured questionnaires among university students from six public and private universities in Surabaya. Data is collected based on university students who were willing to participate. The study obtained 843 responses after discarding those with no personal information, completed in a short time, or had the same answers to all questions. The instrument consists of three questions groups, distributed from March to June 2021.

These are several reasons why researchers chose university students in Surabaya as respondents in this study, which are: 1) University students are individuals who do not yet have emotional maturity so the consideration of emotional intelligence as a determining factor for students' intentions to become investors is considerate more appropriate. 2) University students nowadays have more responsibility and obligation to make decisions that will determine their financial independence, and welfare is a consequence they can accept. 3) In the academic environment, exploration of financial literacy has not been carried out as much as at the community level in general, especially considering the condition of Indonesia which is at the level of an emerging market.

3.3. Demographics Characteristics

The demographic characteristics of the sample are presented in Table 2 below. Based on the demographic results, around 52.91% were female respondents, 23.25% of respondents were 20 years old, while 19.81% were 19 years old. In addition, most of the respondents came from economics and business majors with a total of 49.58%. This demographic illustrates that the majority of university students who have the intention of becoming investors in the future come from economics and business majors. This illustrates that the type of education has a close relationship with the intention to become an investor. Economics and business university students gain knowledge of the capital market and financial knowledge in their course, which is the initial capital for university students to be actively involved in the capital market. In addition, demographic characteristics illustrate that the majority of university students in Surabaya were female. This indicates that women have considerable interest in investing in the capital market. Furthermore, most of the respondents were in the group of 20 years old. This

explains that the university students in the group already have knowledge of the capital market and it is possible to get financial knowledge.

Table 2 Demographics of the respondents

Measure	Item	Frequency	Percent (%)
Gender	Male	397	47.09
	Female	446	52.91
	Total	843	100.00
Age	<18	56	6.64
	18	93	11.03
	19	167	19.81
	20	196	23.25
	21	152	18.03
	22	141	16.73
	>22	38	4.51
	Total	843	100.00
Departement	Social Science	147	17.43
	Economic and Business	418	49.58
	Exact Science and Engineering	216	25.62
	Others	62	7.37
	Total	843	

4. Results

This study uses partial least square (PLS) regression, which is very strong for testing models that have latent variables. PLS regression is also an efficient regression used in the covariance method. This is the most efficient regression in terms of the high number of explanatory variables and the high probability that the explanatory variables are significantly correlated (Chin et al., 1997). This study first tested the validity and reliability of the instrument, then used a structural model to test the research hypothesis.

4.1. Measurement Model

This study used different indicators for the effectiveness of the model. Therefore, this study analyzes four indicators, which are: construct validity, convergent validity, discriminant validity, and reliability to confirm the validity of the questionnaires survey. Factor loading is a parameter that reflects construct validity. Similarly, this study also used factor loading, and average variance extracted to reflect the convergent validity of the questionnaires. In addition, this study also calculated the difference between the average variance extracted and the correlation coefficient between variables to highlight discriminant validity. The Cronbach alpha coefficient reflects the reliability of the questionnaire. For calculation purposes, this research used Warp PLS software (Partial least squares) 5.0. Similarly, standard path coefficients and their significance levels were calculated to test the hypotheses and their validity. If the t-test level <0.05 level of significance, the hypothesis is accepted.

4.2. Construct Validity

To represent the overall correct score, construct validity reflects the level of confidence of the sample measurement. Based on suggestions from Hair et al. (2014), in terms of factor loading item value <0.50, it needs to be deleted. According to the results in Table 3, the factor loading value of all items is >0.50 showed high construct validity of the questionnaire.

4.3. Convergence Validity

To test the reliability and validity of the model, the study conducted a confirmatory factor analysis (CFA). In Table 3, the Cronbach's alpha value of the item is above 0.7. This shows the variable is reliable. In addition, the average variance extracted (AVE) value for each construct is also above 0.5 respectively. This shows a good validity scale (Hair et al., 2014).

Table 3 Scale properties

	Cronbach's Alpha (α)	Factor Loading	AVE
Individual Investor Intention	0,873		0,725
IN1		0,908	
IN2		0,848	
IN3		0,831	

IN4		0,815			

Emotional Intelligence	0,957			0,699
P1		0,835		
P2		0,802		
MS1		0,933		
MS2		0,810		
MS3		0,819		
MO1		0,781		
MO2		0,847		
MO3		0,888		
U1		0,824		
U2		0,836		
U3		0,810		
Financial Literacy	0,947			0,762
FA1		0,929		
FA2		0,898		
FA3		0,873		
FB1		0,778		
FB2		0,938		
FB3		0,786		
AFK		0,893		

4.4. Discriminant Validity

The discriminant validity determines the extent to which one variable is distinguished from other variables. There must not be a high correlation between variables. The square root of the AVE must be greater than the correlation between variables. The results are presented in Table 4 below. The results show that the square root of the average variance extracted for each variable is higher than the correlation between variables. This measure confirms the discriminant validity of the current study.

Table 4 Correlation coefficient matrix and square roots of AVEs

Variables	IN	EI	FL
IN	0.851		
EI	0,652	0.836	
FL	0,532	0,422	0.873

4.5. Results of Structural Model

The results of hypothesis testing are presented in Table 5 below. As per the results presented in Table 5 below, the findings find significant support for all hypotheses. Model 1 in Table 5 shows that emotional intelligence ($\beta = 0,654$, p <0,001) has a positive relationship with student's intentions to become investors, thus confirming the acceptance of H1. This study also examines the moderating effect of gender financial literacy on the relationship of emotional intelligence to university students' intentions to become investors. According to the summary results presented in model 3 in Table 5 below, it can be seen that the path coefficient of the interaction of emotional intelligence with financial literacy ($\beta = 0,126$, p <0,001) has a positive relationship with university students' intentions to become investors, thus confirming the acceptance of H2.

Table 5 Analysis results

Variable	Model 1		Model 2		Model 3	
	Path Coefficient	*p*-value	Path Coefficient	*p*-value	Path Coefficient	*p*-value
EI → IN	0.654***	< 0.001	0.519***	< 0.001	0.471***	< 0.001
FL → IN	-	-	0.328***	< 0.001	0.290***	< 0.001
EI*FL → IN	-	-	-	-	0.126***	< 0.001
Adjusted R^2	0,428		0,516		0,526	
N	843		843		843	

Note: ***significance level p < 0.01, **significance level p < 0.05, *significance level p < 0.10.

5. Discussion

This study aims to explore the effect of emotional intelligence on university students' intentions to become investors, as well as the moderating effect of financial literacy on this effect. The results show that emotional intelligence significantly affects university students' intentions to become investors (H1), which is in line with the findings of previous research (Aydemir & Aren, 2017) stated that emotional intelligence has a positive effect on the intention to risk investments. The research findings indicate that good emotional skills are important for s university tudents to invest in the capital market. Good emotional intelligence allows university students to feel more confident and brave to invest in the capital market. In addition, the results of the study provide evidence that when situations are full of uncertainty in the capital market, such as the Covid-19 pandemic, emotional intelligence has an important role to control the emotions of university students to use a calm mood when investing. Good emotional intelligence leads university students to understand and manage their emotions skillfully, helping them to make the right decisions, even in high uncertainty situations. This allows university students to succeed when starting to invest in the capital market, thus encouraging them to have a career intention to become investors in the future.

As a final point, this study also examines the moderating effect of financial literacy on the effect of emotional intelligence on university students' intentions to become investors. The result shows that financial literacy can increase the influence of emotional intelligence on university students' intentions to become investors (H2), which is in line with previous findings (Van Rooij et al., 2007) which stated that financial literacy increases investor participation in the stock market. The research findings indicate that higher financial literacy in university students forms better financial attitudes and behavior so they can make wiser financial decisions. The high risk when investing in the capital market makes financial literacy a necessity for university students to help calculate the risks. Psychologically, university students with high financial literacy can direct their emotions to be more stable. This is due to the assimilation between rationality and emotion, which leads university students to be more confident with the knowledge they have. When the market situation is full of uncertainty due to the Covid-19 pandemic, high self-confidence with the support of good knowledge help university students to get high returns from uncertain market situations. Financial literacy skillfully directs emotions to choose stocks that are profitable for them when market uncertainty increases. This provides greater benefits for university students, giving them the possibility of motivating them to choose a career as an investor in the future.

5.1. Theoretical Implications

There are several important theoretical implications. First, we show the positive effect of emotional intelligence on student intentions to become investors. University students with limited knowledge about capital market conditions will find it difficult to take rational actions when becoming investors. As for academic disagreements about emotional-rationalism, our results support emotional abilities. In addition, knowing that university students' ability to understand, manage and use emotions positively related to intention to become an investor can facilitate understanding why some people can easily make risky investments without financial knowledge or investment experience. Second, we first provide evidence that financial literacy moderates the relationship between emotional intelligence and student intentions to become investors. More specifically, the positive relationship between emotional intelligence and student intention to become an investor was higher. Certain financial knowledge seems to make the decision-making process better for university students. Better financial knowledge is assimilated with university students' emotional intelligence to become more rational when investing in the capital market. Third, in explaining study results, we make use of behavioral financial axioms such as limited rationality, limited information processing, the illusion of control, and commission bias, and hence our literature discusses these in their entirety.

5.2. Practical Implications

In addition to theoretical implications, this research also provides significant practical implications. First, this study examines university students' intentions to become investors. So, it is very important to take steps to encourage university students' interest in investing in the capital market. For example, investment managers are increasingly active in providing capital market knowledge and establishing stock exchange corners on campuses to attract university students to invest in the capital market. Second, this study found evidence of the positive impact of emotional intelligence on university students' intentions to become investors. Lecturers are required to explain the high risks faced when investing in the capital market so careful calculations are needed without involving emotions when investing. Furthermore, this study also shows the moderating role of financial literacy on the effect of emotional intelligence on university students' intentions to become investors. This indicates that university students need to expand their financial literacy when investing in the capital market. This can be done

by studying basic financial management, as well as reading economic developments, especially related to the capital market in existing media.

5.3. Limitations And Future Research

It is important to note some limitations when interpreting the results of the current study. First, this study only surveyed university students at several universities in Surabaya. Surabaya as one of the big cities in Indonesia gives the possibility for university students to gain a good knowledge of capital markets that may cause different results for university students who come from smaller areas. Given the differences in information and knowledge related to the capital market, comparative analysis will be more reliable and useful for generalizing findings and policy implications. Second, this study surveyed all university students, regardless of the major in the college they were taking. This finding may be sample biased because the study did not consider financial and capital market knowledge. So, future studies need to use student resspondents who understand the basics of financial management and capital markets.

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