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Determinants of digital gold investment decisions: The role of digital financial literacy, risk aversion, and financial well-being

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Abstract--This study aims to analyze the influence of digital financial literacy and risk aversion on digital gold investment decisions, with financial well-being acting as a mediating variable among Pegadaian Digital Gold Savings customers in Bali Province, Indonesia. This research employed a quantitative approach using a survey method. Data were collected from customers who use Pegadaian's Digital Gold Savings service. The data were analyzed using Partial Least Squares–Structural Equation Modeling (PLS-SEM) to examine the relationships between constructs and the mediating role of financial well-being. The measurement and structural models were evaluated through validity, reliability, coefficient of determination, and predictive relevance tests. The results indicate that digital financial literacy has a positive and significant effect on financial well-being and digital gold investment decisions. Risk aversion significantly influences financial well-being but does not directly affect investment decisions. However, financial well-being fully mediates the relationship between risk aversion and investment decisions and partially mediates the effect of digital financial literacy on investment decisions. The model demonstrates strong explanatory power and good predictive relevance. These findings suggest that improving digital financial literacy and



strengthening financial well-being are key factors in encouraging the adoption of digital gold investment. The results provide important implications for Pegadaian and financial regulators in designing financial education programs and digital financial services aimed at enhancing customers' financial well-being.

Keywords---digital financial literacy, risk aversion, financial well-being, investment decision, digital gold,

Introduction

Over the past decade, digital transformation has significantly reshaped various sectors, including the financial industry. The rapid advancement of information and communication technologies has facilitated the emergence of digital financial services such as mobile banking, financial technology (fintech), and electronic wallets (e-wallets), fundamentally transforming how individuals access, manage, and invest their financial resources. These innovations have improved efficiency in financial services while simultaneously expanding financial access to broader segments of society, including individuals who were previously underserved by traditional financial institutions.

Digitalization has also expanded the accessibility of investment instruments through various online platforms. Individuals can now invest in financial products such as stocks, mutual funds, and digital gold through digital applications with relatively low entry barriers. This accessibility has contributed to the rapid growth of digital financial participation across many countries. According to the Global Findex Database, approximately 76 percent of adults worldwide used digital financial services in 2022, representing a significant increase from 51 percent in 2011 (World Bank, 2022). A similar trend is evident in Indonesia, where electronic money transactions reached IDR 305.4 trillion with a year-on-year growth of 49.6 percent. This development reflects the increasing adoption of digital financial services by Indonesian consumers.

However, the rapid growth of digital financial access is not always accompanied by adequate financial understanding among users. The Indonesian Financial Literacy Survey conducted by the Financial Services Authority shows that the national financial literacy index reached only 49.68 percent in 2022, whereas the financial inclusion index reached 85.10 percent. This disparity indicates a significant gap between financial access and financial capability. In other words, while many individuals have access to digital financial services, they may not fully understand the risks, opportunities, and strategies associated with financial decision-making.

From the perspective of behavioral finance, financial decisions are not always driven by purely rational calculations but are also influenced by psychological, cognitive, and social factors (Byegon, 2020). Individuals often rely on personal experiences, perceptions, and emotional considerations when evaluating financial decisions. In the context of digital financial services, limited digital financial literacy and uncertainty regarding technological risks may lead individuals to

adopt heuristic decision-making approaches. Consequently, behavioral biases such as risk aversion may influence individuals' willingness to participate in digital investment activities.

Despite the rapid expansion of digital investment platforms, gold continues to be one of the most popular investment assets among Indonesian investors. According to the World Gold Council (2025), approximately 67 percent of Indonesians hold gold investments in various forms, including bullion, jewelry, exchange-traded funds (ETF), and other gold-based securities. In recent years, gold has demonstrated strong investment performance. In 2024, gold generated a return of approximately 32 percent and increased further to 44 percent in 2025 (year-to-date), outperforming several other financial instruments such as stocks and bonds.

The popularity of gold as a traditional investment asset has increasingly evolved through digital financial platforms. Technological innovations have enabled the transformation of conventional gold ownership into digital investment products that allow individuals to buy and store gold electronically. One example is the Digital Gold Savings product, which provides investors with the ability to purchase gold in small denominations through mobile applications. Compared to conventional gold investment, digital gold offers several advantages, including easier access, lower minimum investment requirements, reduced storage risks, and flexible transaction features.

In Indonesia, digital gold investment services are provided by various platforms, including fintech applications, e-commerce marketplaces, and banking institutions. Pegadaian, a state-owned enterprise, is widely recognized as the pioneer of digital gold savings services in Indonesia since its introduction in 2015 (Katadata, 2023). Supported by a nationwide branch network and strong institutional credibility, Pegadaian has become one of the leading providers of digital gold investment services in the country.

The growth of Pegadaian's digital gold business demonstrates a strong upward trend. In 2024, revenue from Pegadaian's gold-related business increased from IDR 7.81 trillion in 2023 to IDR 16.01 trillion in 2024. The Mulia Gold Savings product recorded revenue growth of 1,928.67 percent, while the Gold Savings Pawn product grew by 63.18 percent. Additionally, the number of active Digital Gold Savings accounts reached 3,297,951 accounts, representing an increase of approximately 5.38 percent compared to the previous year. Overall, Pegadaian's gold business segment recorded 3,977,333 active accounts, reflecting an increase of 13.07 percent compared to 2023.

The attractiveness of gold investment is further strengthened by the rising price of gold. Data from the Pegadaian digital investment platform indicate that gold prices increased from approximately IDR 13,470 per 0.01 gram in May 2024 to IDR 21,500 per 0.01 gram in October 2025, representing an increase of more than 50 percent within one year. This price increase is closely associated with global economic conditions such as inflation, geopolitical tensions, and post-pandemic economic uncertainty. Under such conditions, gold is often perceived as a safe-haven asset, attracting investors seeking financial security during periods of volatility.

This phenomenon is consistent with Prospect Theory, which suggests that individuals tend to be more sensitive to potential losses than to equivalent gains (Pompian, 2012). When faced with economic uncertainty, individuals are more likely to choose investment assets that are perceived as safer, such as gold. Nevertheless, investment decisions are influenced not only by market performance but also by individual characteristics such as financial knowledge, risk attitudes, and perceptions of financial stability.

Several studies highlight the importance of digital financial literacy in shaping individuals' financial behavior. Digital financial literacy enables individuals to understand digital financial services, evaluate investment opportunities, and manage financial risks effectively. Choung et al. (2023) found that digital financial literacy significantly influences investment decisions in fintech environments. Similarly, Kumar et al. (2023) identified limited digital financial literacy as a major barrier to effective investment decision-making in the digital economy.

Psychological factors such as risk aversion also play an important role in financial decision-making. Adil et al. (2022) found that individuals with higher levels of risk aversion tend to be more cautious when making investment decisions. Similarly, Pradana et al. (2022) suggest that behavioral biases such as risk aversion often lead investors to focus more on potential short-term losses than on long-term investment opportunities.

In addition, financial well-being has been identified as an important determinant of financial behavior. Financial well-being refers to individuals' subjective perceptions of financial security, financial control, and their ability to meet current and future financial needs (OECD/INFE, 2022). Kamble et al. (2024) found that individuals with higher levels of financial well-being tend to demonstrate greater confidence in making investment decisions and are more open to adopting digital investment platforms.

However, empirical findings regarding the relationships between digital financial literacy, risk aversion, and investment decisions remain inconsistent. Yadav and Banerji (2024) found that digital financial literacy positively influences investment behavior. Conversely, Kristian and Setyawan (2024) reported that digital financial literacy does not always directly influence digital investment decision quality but becomes significant when mediated by risk perception and perceived ease of investment. Similarly, Mazzoli and Baiocco (2025) suggest that the role of digital financial literacy may vary depending on the context of investment behavior being examined.

Given these conditions, understanding the behavioral and financial factors that influence digital investment decisions becomes increasingly important. Digital financial literacy, risk aversion, and financial well-being are likely to play critical roles in shaping individuals' investment behavior in the digital financial environment.

Therefore, this study aims to analyze the influence of digital financial literacy and risk aversion on digital gold investment decisions, with financial well-being serving as a mediating variable. By focusing on Pegadaian Digital Gold Savings

customers in Bali Province, this research seeks to provide a comprehensive understanding of how digital literacy, risk attitudes, and perceived financial well-being influence individuals' investment decisions in the context of digital gold investment.

Practically, the findings of this study are expected to provide insights for Pegadaian, financial regulators, and financial education institutions in designing more effective financial literacy programs and digital financial services that support improved financial well-being. Academically, this study contributes to the literature on behavioral finance by integrating digital financial literacy, risk preferences, and financial well-being in explaining digital investment decision-making in the era of financial digitalization.

Literature Review and Hypothesis Development

From the perspective of behavioral finance, investment decisions are not solely determined by rational economic considerations but are also influenced by individuals' cognitive abilities, including financial knowledge and understanding. In the digital era, digital financial literacy plays a crucial role as it reflects individuals' ability to access, understand, and effectively use technology-based financial services. Previous studies indicate a strong relationship between digital financial literacy and investment decision-making. Kumar et al. (2023) found that digital financial literacy enables individuals, particularly millennials, to evaluate risks and make more confident investment decisions. Similarly, Bai (2023) demonstrated that digital financial literacy mediates the relationship between basic financial literacy and rational investment behavior. Empirical findings from Asmara and Wiagustini (2021) further suggest that financial literacy directly influences investment decisions and also mediates the effects of socio-demographic factors. Moreover, Darmayanti et al. (2023) emphasize that financial literacy positively affects financial management capability, indicating that individuals with stronger financial understanding are better equipped to make sound financial decisions. Studies by Darmayanti et al. (2022), Kamble et al. (2024), Choung et al. (2023), and He and Liu (2024) also highlight that digital financial literacy improves individuals' ability to manage financial risks, develop long-term financial strategies, and participate more actively in formal investment markets. Based on these theoretical and empirical insights, individuals with higher levels of digital financial literacy are expected to possess better capabilities in making investment decisions, including selecting digital gold investment instruments.

H1: Digital financial literacy positively influences investment decisions

Prospect Theory proposed by Kahneman and Tversky explains that individuals tend to avoid risks and focus more on preventing potential losses than achieving potential gains. This concept provides a foundation for understanding investors' preferences when selecting financial instruments. Risk aversion refers to an individual's tendency to avoid uncertainty and prefer investment options with lower risk levels. Empirical studies have shown that risk aversion significantly influences investment behavior. Aren and Hamamci (2020) found that individuals with high levels of risk aversion tend to prefer conservative assets and demonstrate lower intentions to invest in risky assets. Bai (2023) also reported

that risk aversion moderates the relationship between financial literacy and investment decisions, indicating that risk perception plays an important psychological role in financial decision-making. In addition, Belhouk-Herrero et al. (2023) highlight that psychological factors such as stress can strengthen individuals' tendencies to avoid investment risks, while Logitama et al. (2021) explain that financial anxiety and discomfort with uncertainty are common characteristics of risk-averse investors that influence their financial choices. In the context of digital gold investment, however, risk aversion may encourage individuals to select gold as a preferred asset due to its perceived stability and role as a safe-haven investment. Particularly for Pegadaian Digital Gold Savings customers in Bali, the perception of gold as a stable and secure asset may lead individuals with higher levels of risk aversion to choose digital gold investment as a safer alternative compared to other high-risk investment instruments.

H2: Risk aversion positively influences investment decisions

Behavioral finance suggests that investment decisions are influenced not only by expected returns and risks but also by individuals' psychological perceptions of their financial condition. One important concept in this context is financial well-being, which represents a subjective state in which individuals feel secure, confident, and in control of their financial situation both in the present and in the future. Individuals with higher levels of financial well-being tend to demonstrate greater confidence in making strategic financial decisions, including investment decisions (Pompian, 2012; Ackert & Deaves, 2010). Bai (2023) found that financial well-being plays a significant role in supporting rational investment decisions, as individuals who feel financially secure are more willing to allocate resources to investment activities. Similarly, Estela-Delgado et al. (2023) revealed that perceived financial security reduces fear of risk and increases investment intentions. Lone and Bhat (2022) also demonstrated that financial self-efficacy, which represents an important dimension of financial well-being, strengthens active investment behavior. Furthermore, Kamble et al. (2024) and Choung et al. (2023) indicate that financial well-being promotes long-term financial planning and encourages individuals to participate in investment activities, particularly within digital financial environments. Therefore, financial well-being can be considered a psychological factor that enhances individuals' readiness to engage in investment decisions, including digital gold investment.

H3: Financial well-being positively influences investment decisions

Within the framework of behavioral finance, financial literacy—particularly digital financial literacy—plays an important role in shaping individuals' financial capability and perceived financial security. Digital financial literacy refers not only to the ability to understand digital financial products but also to the confidence to utilize financial technologies for financial planning, monitoring, and decision-making (Xiao & O'Neill, 2016; Stolper & Walter, 2017). Individuals with higher levels of digital financial literacy are more capable of managing financial resources effectively, which contributes to improved financial well-being. Empirical studies support this relationship. Bai (2023) found that individuals with higher financial literacy tend to experience greater financial security and satisfaction. Similarly, Lone and Bhat (2022) reported that financial knowledge enhances financial self-efficacy, which forms an important component of financial well-being. Kamble et al. (2024) further indicate that digital financial capability contributes to

individuals' confidence in managing financial risks, while Estela-Delgado et al. (2023) demonstrate that digital financial literacy can reduce financial stress and improve overall life satisfaction. These findings suggest that digital financial literacy strengthens individuals' ability to manage financial resources effectively, which in turn enhances their perceived financial well-being.

H4: Digital financial literacy positively influences financial well-being

In behavioral finance and Prospect Theory, risk aversion reflects individuals' psychological tendency to avoid uncertainty and potential financial losses. Risk-averse individuals generally prefer financial strategies that provide stability and security rather than opportunities for high returns accompanied by greater risk (Kahneman & Tversky, 1979 in Pompian, 2012). Such cautious financial behavior may contribute to greater financial stability and perceived financial well-being. According to OECD (2021), financial resilience—an important component of financial well-being—can be strengthened through individuals' ability to avoid financial losses and manage financial risks effectively. Logitama et al. (2021) also suggest that risk avoidance can function as a mechanism to reduce financial stress by providing individuals with a sense of financial security. Furthermore, He and Liu (2024) describe risk aversion as a preference for financial instruments that provide stability and safety, while Zaimovic et al. (2024) define financial well-being as the condition in which individuals feel financially secure and capable of meeting both present and future financial obligations. Empirical evidence from Lone and Bhat (2022) and Vishwakarma (2024) suggests that cautious financial behavior associated with risk aversion may promote financial stability and improve individuals' perceptions of financial well-being.

H5: Risk aversion positively influences financial well-being

Behavioral finance emphasizes that cognitive abilities such as digital financial literacy influence individuals' financial perceptions, confidence, and behavior. Individuals with higher digital financial literacy tend to possess better understanding of financial information and greater confidence in managing financial risks (Pompian, 2012; Ackert & Deaves, 2010). This capability contributes to improved perceptions of financial security and control, which form the foundation of financial well-being. Previous studies suggest that financial literacy enhances financial well-being and subsequently encourages investment behavior. Bai (2023) reported that financial literacy improves individuals' sense of financial security and promotes strategic investment behavior. Lone and Bhat (2022) further demonstrate that financial literacy strengthens financial self-efficacy, which contributes to financial well-being and encourages investment participation. Similarly, Kamble et al. (2024) highlight that the ability to understand and utilize digital financial platforms increases financial confidence and investment readiness. These findings suggest that digital financial literacy can indirectly influence investment decisions through financial well-being, as individuals who feel financially secure are more confident in making investment choices, including digital gold investment.

H6: Financial well-being mediates the relationship between digital financial literacy and investment decisions

In the context of behavioral finance and Prospect Theory, risk aversion influences how individuals perceive financial risks and determine appropriate financial

strategies. Individuals with higher levels of risk aversion tend to adopt more conservative financial strategies and prefer stable financial instruments in order to avoid potential losses (Kahneman & Tversky, 1979 in Pompian, 2012). This cautious approach can contribute to a sense of financial security and control, which ultimately enhances financial well-being (Ackert & Deaves, 2010; Bakers & Ricciardi, 2014). Empirical evidence supports this relationship. Belhouk-Herrero et al. (2023) found that risk avoidance strategies may serve as adaptive responses to financial stress, improving individuals' perceptions of financial security. Similarly, Logitama et al. (2021) reported that risk-averse individuals tend to reduce financial anxiety by choosing investment instruments that match their risk tolerance. Financial well-being then plays a crucial role in translating these psychological tendencies into investment behavior. Individuals who feel financially secure are more confident and strategic in allocating their financial resources (Bai, 2023; Kamble et al., 2024). In the context of Pegadaian digital gold investment, individuals with higher risk aversion may choose gold as a stable asset, which enhances their financial well-being and subsequently encourages consistent investment behavior.

H7: Financial well-being mediates the relationship between risk aversion and investment decisions

Methods

This study employed a quantitative, causal research design to examine the direct effects of digital financial literacy and risk aversion on digital gold investment decisions, as well as the mediating role of financial well-being among Pegadaian Digital Gold Savings customers in Bali Province. The study focused on customers who had access to digital technology and had current or prior experience with Pegadaian's digital gold investment service, as Bali represents a relevant context due to the growing adoption of digital financial services and Pegadaian's strong business growth in the region. Primary data were collected through an online questionnaire distributed using purposive sampling, with respondents meeting the criteria of being at least 17 years old and having used the Pegadaian digital application for at least one year. The research instrument was developed from established literature and prior empirical studies and measured four main constructs: digital financial literacy, risk aversion, financial well-being, and investment decisions, using a 7-point semantic differential scale. Before the main survey, the questionnaire was pre-tested to ensure clarity, validity, and reliability. The data were then analyzed using Partial Least Squares–Structural Equation Modeling (PLS-SEM) with SmartPLS 4.0, which enabled the assessment of both the measurement model and the structural model. The analysis included tests of validity and reliability, followed by the evaluation of path coefficients, coefficients of determination, predictive relevance, and bootstrapping procedures to examine both direct and indirect effects within the proposed model.

Result and Discussion

Structural model analysis was conducted to examine the causal relationships among the constructs in the research model, namely the effects of digital financial literacy (X1) and risk aversion (X2) on digital gold investment decisions (Y), with financial well-being (M) as a mediating variable. The evaluation of the structural

model in the PLS-SEM approach aims to assess the strength and significance of the relationships among latent variables, as well as the model's ability to explain and predict endogenous variables.

The structural model was evaluated using the coefficient of determination (R^2) to measure the explanatory power of the model and predictive relevance (Q^2) to assess the predictive capability of the model. The R^2 value indicates the proportion of variance of the endogenous variable that can be explained by the exogenous variables in the model, while the Q^2 value obtained through the blindfolding procedure indicates the predictive relevance of the model.

The Q^2 value is calculated using the following formula:

$$Q^2 = 1 - \frac{\sum(Y_{\text{actual}} - Y_{\text{predict}})^2}{\sum(Y_{\text{actual}} - Y)^2}$$

Table 1 presents the R^2 and Q^2 values of the endogenous constructs.

Table 1. R^2 and Q^2 Values

Construct	R^2	Q^2
Investment Decision	0.665	0.305
Financial Well-Being	0.394	0.401

Primary Data, 2026

The results of the predictive relevance test (Q^2) obtained through the blindfolding procedure show that the financial well-being construct has a Q^2 value of 0.305, while the investment decision construct has a Q^2 value of 0.401. Both values are greater than zero, indicating that the model has good predictive capability. Specifically, the Q^2 value for the investment decision construct indicates strong predictive relevance, while the financial well-being construct shows predictive relevance in the moderate-to-strong category.

Based on the R^2 values of the endogenous variables, the overall predictive relevance of the model (Q^2) was calculated using the following formula:

$$Q^2 = 1 - (1 - R_1^2)(1 - R_2^2)$$

The calculation result shows a Q^2 value of **0.797**, which is greater than zero, indicating that the model has very strong predictive relevance. Thus, the research model demonstrates a strong ability to explain the relationships among the variables studied.

This study employed the Partial Least Squares (PLS) approach to test the proposed hypotheses. The results of the empirical model analysis using PLS can be illustrated in the structural model figures. The structural model indicates that digital financial literacy and risk aversion play different but complementary roles in shaping financial well-being and digital gold investment decisions. Digital financial literacy is identified as the strongest predictor in the model, both for financial well-being and investment decisions. This is reflected in the path coefficient of digital financial literacy \rightarrow financial well-being (0.499) and digital financial literacy \rightarrow investment decision (0.626), both of which are statistically

significant. These coefficients indicate that customers' ability to understand and utilize digital financial services, including the Pegadaian Digital application, directly enhances their sense of financial security, financial control, and confidence, while also encouraging them to make digital gold investment decisions more actively and confidently.

On the other hand, risk aversion also contributes significantly to financial well-being, with a coefficient of 0.223, but does not directly influence investment decisions ($\beta = 0.085$; $p = 0.191$). This pattern suggests that cautious attitudes toward risk do not automatically encourage or discourage customers to invest in digital gold. Instead, the influence of risk aversion is first internalized through an increased sense of financial security and stability, which subsequently affects investment decisions. This role is strengthened by the significant relationship between financial well-being \rightarrow investment decision ($\beta = 0.214$), indicating that financial well-being acts as a psychological mechanism that bridges individual characteristics and investment behavior.

Overall, this structure is reflected in the R^2 value of 0.394 for financial well-being and 0.665 for investment decisions, indicating that digital financial literacy and attitudes toward risk explain nearly 40% of the variance in financial well-being and more than 66% of the variance in digital gold investment decisions.

Table 2. Direct Effects

Direct Effect	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T-Statistic	P-Value
Digital Financial Literacy \rightarrow Investment Decision	0.626	0.629	0.054	11.623	0.000
Risk Aversion \rightarrow Investment Decision	0.085	0.091	0.065	1.307	0.191
Financial Well-Being \rightarrow Investment Decision	0.214	0.209	0.066	3.226	0.001
Digital Financial Literacy \rightarrow Financial Well-Being	0.499	0.498	0.059	8.411	0.000
Risk Aversion \rightarrow Financial Well-Being	0.223	0.226	0.068	3.293	0.001

Primary Data, 2026

The results show that H1 is supported, as digital financial literacy has a positive and significant effect on investment decisions ($\beta = 0.626$; $p = 0.000$). H2 is rejected, as risk aversion does not significantly affect investment decisions ($\beta = 0.085$; $p = 0.191$). H3 is supported, indicating that digital financial literacy positively influences financial well-being ($\beta = 0.499$; $p = 0.000$). H4 is also supported, as risk aversion positively influences financial well-being ($\beta = 0.223$; $p = 0.001$). Finally, H5 is supported, showing that financial well-being significantly influences digital gold investment decisions ($\beta = 0.214$; $p = 0.001$).

The mediation analysis examines the role of financial well-being in mediating the relationship between digital financial literacy and risk aversion on investment decisions.

Table 3. Indirect Effect

Indirect Effect	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T-Statistic	P-Value
Digital Financial Literacy → Financial Well-Being → Investment Decision	0.107	0.104	0.036	2.928	0.003
Risk Aversion → Financial Well-Being → Investment Decision	0.048	0.047	0.020	2.425	0.015

Primary Data, 2026

The mediation test shows that the indirect effect of digital financial literacy on investment decisions through financial well-being is positive and significant ($\beta = 0.107$; $p = 0.003$). Therefore, H6 is accepted. Since both the direct and indirect paths are significant, financial well-being functions as a partial mediator in the relationship between digital financial literacy and investment decisions.

Similarly, the indirect effect of risk aversion on investment decisions through financial well-being is also positive and significant ($\beta = 0.048$; $p = 0.015$). Therefore, H7 is accepted. Because the direct effect of risk aversion on investment decisions is not significant while the indirect effect is significant, financial well-being acts as a full mediator in this relationship.

These findings confirm that financial well-being serves as an important mechanism explaining how digital financial literacy and risk aversion ultimately influence investment decisions. The mediating role appears stronger in the relationship between risk aversion and investment decisions, as the effect of risk aversion only emerges when mediated by financial well-being.

In the context of Pegadaian's Digital Gold Savings product, which is widely perceived as a safe and stable investment instrument, financial well-being becomes the psychological and financial mechanism that connects knowledge and risk attitudes with actual investment behavior. Understanding this mediating role helps explain why individuals who are digitally literate, and risk-conscious are more inclined to invest in digital gold.

Conclusion

Customers who possess higher levels of digital financial literacy tend to have greater confidence in using digital financial services and are more capable of making rational investment decisions. These findings confirm that digital financial literacy serves as an important cognitive factor that supports individuals in evaluating digital financial products and managing investment risks effectively.

The findings also reveal that risk aversion does not directly influence digital gold investment decisions. However, risk aversion significantly affects financial well-being, indicating that individuals who exhibit cautious attitudes toward financial risks tend to feel more secure and stable in managing their finances. Furthermore, financial well-being itself is found to have a positive and significant influence on investment decisions. Individuals who perceive themselves as financially secure and in control of their financial condition are more confident in allocating their resources for investment purposes, including digital gold investment.

In terms of mediation analysis, financial well-being partially mediates the relationship between digital financial literacy and investment decisions, while it fully mediates the relationship between risk aversion and investment decisions. These findings suggest that the influence of psychological factors such as risk aversion on investment behavior primarily operates through individuals' perceptions of financial well-being. Overall, this study highlights that digital gold investment decisions are not determined solely by financial knowledge or risk attitudes, but also by how these factors shape individuals' perceptions of financial security and well-being.

This study contributes to the literature on behavioral finance and digital investment by integrating digital financial literacy, risk aversion, and financial well-being in explaining digital investment behavior. The findings provide empirical evidence that financial well-being plays a critical psychological role in bridging cognitive capability and investment behavior within the context of digital financial services.

Managerial Implications

The findings of this study provide several managerial implications for financial service providers, particularly Pegadaian, as well as for financial regulators and financial education institutions. First, the significant role of digital financial literacy in influencing both financial well-being and investment decisions indicates the importance of strengthening financial education programs that focus on digital financial competencies. Pegadaian and financial institutions should actively develop educational initiatives, such as digital investment literacy campaigns, webinars, and interactive learning platforms, to enhance customers' understanding of digital financial services and investment products.

Second, financial institutions should design digital financial platforms that are user-friendly and transparent, enabling customers to better understand the features, risks, and benefits of digital gold investment. Providing clear information, intuitive interfaces, and accessible financial education content within digital applications can enhance customers' confidence and trust in digital investment platforms.

Third, the results suggest that financial well-being plays a crucial mediating role in encouraging investment participation. Therefore, financial institutions should not only focus on promoting investment products but also emphasize strategies that improve customers' financial confidence and sense of financial security. Programs that encourage financial planning, savings behavior, and long-term

investment awareness may strengthen individuals' perceptions of financial well-being and ultimately support more sustainable investment behavior.

Fourth, the finding that risk aversion influences investment decisions indirectly through financial well-being suggests that financial institutions should tailor investment communication strategies according to customers' risk profiles. For risk-averse individuals, emphasizing the stability, security, and long-term value preservation of digital gold investment may be more effective in encouraging investment participation.

Finally, from a policy perspective, regulators such as the Financial Services Authority (OJK) can utilize these findings to strengthen national financial literacy programs, particularly those related to digital financial services and digital investment platforms. Improving digital financial literacy at the societal level is essential to ensure that the rapid growth of digital financial inclusion is accompanied by improved financial capability and responsible investment behavior.

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