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The Role of Financial Literacy on Investment Decisions at KPP Pratama West Semarang Moderated by The Age Factor of The Generation

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Abstract. *As part of the government system tasked with serving the public, Civil Servants are expected to manage their finances wisely to support financial stability, personal well-being, and efficiency in carrying out their duties. Behavioral patterns and lifestyles that are still considered hedonistic occur among Civil Servants, this is because Civil Servants are one of the jobs with a relatively stable and relatively high income level. Higher incomes can also lead to greater expenses. This study aims to analyze the influence of financial literacy and approaches on investment decisions, as well as examine the role of generational age as a moderating variable in the West Semarang Pratama Tax Office environment. The research method used is a quantitative approach with an explanatory research type. This approach is appropriate for testing causal relationships between variables, as well as explaining the direct influence and interactions between constructs in the research model. The results of the moderation analysis indicate that generational age cannot significantly moderate the influence of financial literacy on investment decisions in the West Semarang Pratama Tax Office environment. Variations in age groups and demographic characteristics, although providing their own patterns in financial behavior, do not show significant differentiation of influence in the relationship between financial literacy levels and employee investment decisions.*

Keywords: *Finance; Investment Decisions; The Role of Literacy.*

1. Introduction

As part of the government system tasked with serving the public, civil servants are expected to manage their finances wisely to support financial stability, personal well-being, and efficiency in carrying out their duties. Behavioral patterns and lifestyles that are still considered hedonistic are common among civil servants.(Sri Ratna Sari et al., 2020)This is because civil servants are a profession with a relatively stable and relatively high income.

Higher incomes can lead to higher expenses.(Nurlaila, 2017)Lifestyle is considered a form of identity and recognition of a person's social status, clearly visible in their behavior, which consistently follows fashion trends as a key component of fulfilling daily needs. Lifestyle is seen as more important than basic needs.(Pulungan, 2012)This can be caused by various factors, such as a lack of financial literacy, the influence of a consumerist lifestyle, and social pressure to meet a certain standard of living.

Investment decisions are a crucial aspect of individual financial management, including for civil servants. Amidst demands for long-term financial stability and retirement preparedness, civil servants are required to rely not only on routine income, but also on their own resources.but also able to manage their funds productively through various investment instruments. The primary goal of investment activities is to generate additional income in the future. In the process, investment decisions are decisions regarding current capital investments to generate profits or income in the future.(Prabowo, 2021);(Uttari & Yudantara, 2023)Civil servants are beginning to show interest in investment activities as part of their personal financial management strategy, particularly in facing retirement and other long-term needs.

Human Resources (HR) are a crucial asset in an organization, as the successful achievement of goals is inextricably linked to the quality and competence of its employees. Therefore, HR management focuses not only on recruitment, technical skills development, and performance improvement, but also on strengthening employee capacity in non-technical areas that support their well-being, one of which is financial literacy.Human resource management plays a strategic role as a channel for financial literacy through training, outreach, and capacity building, enabling employees to understand and apply basic financial principles in their daily lives. Good financial literacy not only enhances financial stability, reduces stress, and improves employees' quality of life, but also positively impacts the organization by increasing productivity, loyalty, and employee engagement. Thus, human resource management goes beyond simply managing the workforce; it also serves as an agent of change, supporting employee financial well-being.

The investment decisions of State Civil Servants (ASN) tend to be conservative, with a predominance of safe instruments such as gold and deposits, reflecting a risk-averse attitude. Although access to information and education from the Financial Services Authority (OJK) and the Indonesian Stock Exchange (BEI) has encouraged some ASN to start investing in mutual funds and stocks, many still do not understand the importance of diversification and choose only one instrument. Low financial literacy is a major factor in the lack of participation in optimal investment, even making ASN vulnerable to illegal investments. Furthermore, ASN investment decisions are also influenced by social factors, such as encouragement from colleagues or the community, in line with the findings of Sriatun & Indarto (2017) that behavior and self-control are more dominant influences on PNS investment decisions.

Income is the total amount of income an individual receives over a given period, whether from work, business, or other sources. It is a key factor in financial decision-making, including investment. Conceptually, income serves as the primary source of funds that can be used to meet consumption, savings, and investment needs. The higher a person's income, the greater their ability to allocate funds for investment activities.Hilgert et al. (2003);Potrich et al. (2025);León et al. (2024)states that personal income is the total annual gross income of an individual derived from wages, business ventures, and various investments. Income is one indicator for measuring the welfare of an individual or society, so that this community income reflects the economic progress of a society. According toMonticone (2010);Fong et al. (2021); AndPrimastuti & Gusti (2023)The higher a person's income, the more likely they are to seek to understand how to better utilize their finances through financial knowledge. Income has a significant influence on the investment decisions of State Civil Servants.(Primasari et al., 2024)Civil servants with higher incomes tend to be more willing to invest in instruments that offer higher potential returns, despite the noise. This confirms that income is not merely a measure of financial capability but also a psychological factor influencing an individual's confidence and readiness to invest.

Financial literacy is the combined knowledge, skills, awareness and behavior in determining financial decisions with higher profits.(Hidayat & Hartono, 2022);(Lo Prete, 2022);(Ling et al., 2023)This concept includes understanding financial products and services, budget management, investments, financial planning, and awareness of financial risks and rights. Meanwhile, according toPungki et al. (2025);Partha Sarathi & Kalyan (2025)AndTeslenko & Maslakova (2024)Financial literacy is a combination of awareness, knowledge, skills, attitudes, and behaviors that a person possesses to make sound financial decisions and ultimately achieve individual financial well-being. College students are at a crucial time in their lives as they face financial independence. This foundational knowledge involves knowing and understanding the complex principles of spending, saving, and investing. According toLusardi & Mitchell (2014)Good financial literacy enables individuals to make more rational and responsible financial decisions, including investment activities. In the context of investment decisions, financial literacy plays a crucial role because individuals who understand basic investment concepts, such as risk, return, diversification, and the legality of financial products, tend to be more confident and able to choose investment instruments that suit their risk profile. Previous research has shown a significant relationship between financial literacy and investment decisions.Sriatun & Indarto (2017)found that financial literacy contributes to increasing ASN's intention to invest, especially if supported by appropriate education.

Research byPrimasari et al. (2024)explained that income and financial behavior have a significant influence, while financial literacy does not have a direct influence on investment decisions. Furthermore, the results of the research conductedSriatun & Indarto (2017)explains that the higher the understanding of ASN regarding financial concepts, risks, and investment products, the greater their tendency to plan and make investment decisions rationally.

The differences in previous research findings have created a gap that requires further investigation, particularly regarding the gap between the level of financial literacy of State

Civil Servants (ASN) and the low level of investment decisions they make. Furthermore, other factors, such as age, also show varying results. Research bySafitri & Rachmansyah (2021)states that the more mature a person is, the better they are at making investment decisions. However, in practice, this is not necessarily consistent among civil servants, particularly at the West Semarang Pratama Tax Office (KPP Pratama). Therefore, further research is needed to more deeply examine the relationship between financial literacy, age, and other factors on civil servant investment decisions to obtain a more comprehensive and accurate understanding of investment decisions.

2. Research Methods

This study aims to analyze the influence of financial literacy and approaches on investment decisions, as well as examine the role of generational age as a moderating variable in the West Semarang Pratama Tax Office (KPP Pratama). The research method used is a quantitative approach with an explanatory approach. This approach is suitable for examining causal relationships between variables and explaining both the direct and interactive effects between constructs in the research model.(Creswell, 2009).

3. Results and Discussion

3.1. Reliability Test

Reliability measurement using 2 (two) methods, namely:

1. A questionnaire is said to be reliable or trustworthy if a person's answers to the statements are consistent or stable over time.(Ghozali & Latan, 2015)Reliability testing is the level of stability of a measuring instrument in measuring a symptom/event. The higher the reliability of a measuring instrument, the more stable it is. A construct is said to be reliable if it produces a Cronbach's Alpha value > 0.60.(Ghozali & Latan, 2015).

2. In addition to Crohn's Alpha, the reliability of a construct can also be assessed by examining the Composite Reliability between the construct and its indicators, which yields good results, namely above 0.70. A factor loading of 0.70 or above is considered good.

Table Composite Reliability

Construct	Composite Reliability (ρ_a)	Composite Reliability (ρ_c)
Financial Literacy (FL)	0.89	0.913
Investment Decision (ID)	0.93	0.943
Income (INC)	0.893	0.908

Source: Processed primary data, 2025

Table shows that the composite reliability of each construct is good, above 0.7. According to Chin (1998), an indicator is said to have good reliability if its value is above 0.70 and can be maintained and accepted at a value of 0.50 to 0.60. The value for all variables shown here has a composite reliability value > 0.5, meaning it has good reliability and can be used for further research. What is meant by reliable here is that the indicators used in real research are in accordance with the actual conditions of the research object.

Structural Model Test (Inner Model)

After the estimated model meets the Outer Model criteria, the next step is to test the structural model (Inner Model). The following are the results of the Variance Inflation Factor (VIF) test:

Table VIF (Multicollinearity) Test Results of the Inner Model

Predictor Variables	VIF	Information
Age Gen (Age)	1,037	There is no multicollinearity
FL (Financial Literacy)	1,838	There is no multicollinearity
INC (Revenue)	1,867	There is no multicollinearity
Age Gen x FL (Age x Financial Literacy Interaction)	1,044	There is no multicollinearity

Source: Processed Primary Data, 2025

Table shows that all VIF values for the predictor variables (Age, Financial Literacy, Income, and the Age x Financial Literacy interaction) are below the maximum limit of 5. The highest VIF value is 1.867 for the income variable, which is well below 5. This indicates that there are no significant multicollinearity problems between the independent variables and moderator variables in the research model. Thus, it can be concluded that the path coefficient estimates in this model are stable and reliable, and there is no excessive information redundancy between the predictor variables. This condition supports the validity of the results of the subsequent PLS-SEM analysis.

Table Hypothesis Testing

No	Relationship between Variables	th Coefficient)	T-Statistic	-Value	ower CI (2.5%)	per 7.5%)	cision
H1	Financial Literacy → Investment Decisions	582	7,954	.000	.438	727	cepted
H2	Income → Investment Decisions	334	4,048	.000	.145	474	cepted
H3	Financial Literacy × Age → Investment Decisions	.069	1,362	.173	.167	333	jected

urce: Processed Primary Data, 2025

To determine whether a hypothesis is accepted or not by comparing the calculated t-value with the t-table, with the condition that if the calculated t-value > t-table, then the hypothesis is accepted. Evaluation of the hypothesis test is based on the path coefficient (β), t-statistic, and p-value, and is supported by a 95% bias-corrected confidence interval (CI 2.5%–97.5%). A summary of the hypothesis test results is presented in Table and Figure.

Hypothesis 1 (H1) states that financial literacy significantly influences investment decisions. The test results show a positive and significant relationship with a path coefficient of β = 0.582, t-statistic = 7.954, and p-value = 0.000. Furthermore, the bias-corrected confidence interval ranges from 0.438 to 0.727, which excludes the zero value. This finding indicates that the higher the level of financial literacy of employees, the better their investment decisions. Therefore, hypothesis H1 is accepted.

Hypothesis 2 (H2) states that income has a significant influence on investment decisions. The analysis results show a positive and significant relationship, with a path coefficient of β = 0.334, t-statistic = 4.048, and p-value = 0.000. The confidence interval of 0.145 to 0.474

also does not cross zero, indicating that the effect is statistically significant. This indicates that employees with higher income levels tend to have a greater tendency to make investment decisions. Thus, hypothesis H2 is accepted.

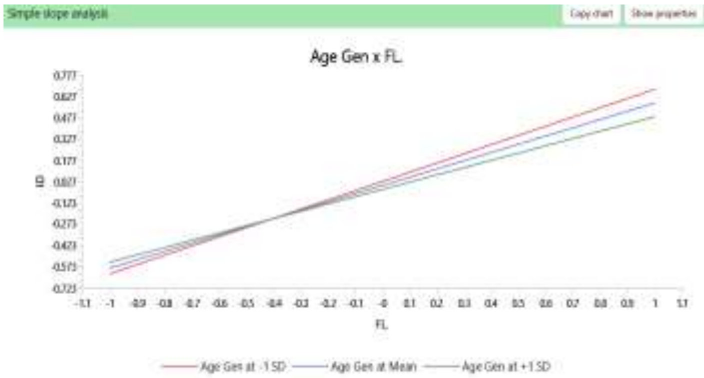

Figure Simple Slope Analysis

Figure shows the results of a Simple Slope Analysis (SSA). This analysis allows researchers to observe differences in the strength of the influence of the independent variable on the dependent variable at different moderator levels, specifically at low, medium, and high levels.

The results of a simple slope analysis at three age levels: the lower age group (Generation Z), the middle age group (Generation Y), and the upper age group (Generation X and Baby Boomers). These results indicate that in the younger age group, the relationship between financial literacy and investment decisions appears stronger, while in the older age group, the effect tends to weaken. However, this difference across ages has not yet reached the level of statistical significance, as seen in the previous moderation test. This finding indicates that in practice, the younger generation, who are more technologically savvy and more open to financial information, are potentially more likely to respond to financial literacy in investment decision-making. However, statistically, this difference is not strong enough to be categorized as a significant moderating effect. This could be due to the homogeneity of employee profiles within a single government agency and the relatively equal educational background and access to information.

In addition to evaluating the significance of the relationship between variables using the path coefficient, PLS-SEM analysis also allows for measuring the relative contribution of each predictor variable to the endogenous variable through the effect size (f-square) value. According to Hair et al. (2022), effect size indicates the extent of an independent construct's impact in explaining the dependent construct when it is removed from the structural model. The f-square value (0.02 = small, 0.15 = medium, 0.35 = large).

Table shows that the financial literacy variable on investment decisions has an f-square value of 0.627, which is classified as large. This value indicates that financial literacy has a substantial influence on the investment decisions of West Semarang Pratama Tax Office employees. This result is supported by a T-statistic value of 3.124 and a p-value of 0.002 ($p < 0.05$), indicating that the effect is statistically significant. This indicates that an individual's

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understanding and skills in managing finances and recognizing investment products directly improve the quality of their investment decision-making.

Meanwhile, the income variable on investment decisions yielded an f-square value of 0.204, which is in the moderate category. However, despite having a significant practical impact, the statistical test results showed a T-statistic of 1.63 and a p-value of 0.103 (p > 0.05), so the effect was not statistically significant at the 95% confidence level. This finding indicates that although income contributes to explaining investment decisions, the magnitude of the effect is not statistically strong enough within the context of this study population.

Furthermore, the moderating variable of age on financial literacy towards investment decisions has an f-square of 0.013, which is below the minimum threshold of 0.02 and is categorized as a very small effect. This result is also not statistically significant, indicated by a T-statistic of 0.64 and a p-value of 0.522 (p > 0.05). Thus, it can be concluded that age cannot significantly strengthen or weaken the relationship between financial literacy and investment decisions. This finding indicates that generational age differences in the context of this study do not affect the effectiveness of financial literacy on investment decisions.

The following is a diagram of the T statistic value based on the output with SmartPLS Version 4 Student version:

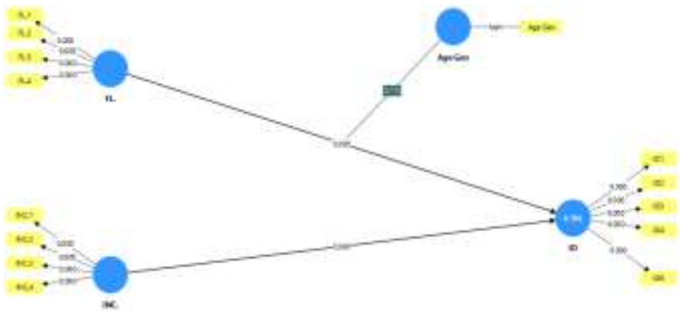

Figure *Bootstrapping Output*

Furthermore, based on Table, the SRMR value for the saturated model and the estimated model is 0.070. According to Hair et al. (2022), an SRMR value of less than or equal to 0.08 (≤0.08) is generally considered an indication of good fit for a PLS-SEM model. Some literature even allows values up to 0.10, especially for complex models.

Table Standardized Root Mean Square Residual (SRMR) Results

Model	Original sample (O)	Sample Mean	95% CI (Lower)	95% CI (Upper)	Information
Saturated Model	0.070	0.052	0.063	0.069	Good Fit
Estimated Model	0.070	0.052	0.063	0.069	Good Fit

Source: Processed Primary Data, 2025

In the context of this study, the SRMR value of 0.070 is below the 0.08 threshold, indicating that the research model has a good fit with the empirical data. This means that the difference between the observed correlation matrix from the data and the correlation matrix predicted by the model is relatively small and acceptable. Thus, the structural model proposed in this study is considered appropriate and representative for explaining the relationships between the studied variables.

3.2. The Influence of Financial Literacy on Investment Decisions

The results of the hypothesis test show that financial literacy significantly influences investment decisions. This indicates that the level of financial literacy possessed by employees at the West Semarang Pratama Tax Office can encourage improvements in better investment decision-making. Financial literacy in this study was measured through three main indicators: understanding financial management, knowledge and skills in financial management, and understanding of investment products. These three indicators reflect employees' ability to understand basic financial concepts, differentiate between various financial instruments, and assess the risks and returns of various forms of investment.

Meanwhile, Investment Decisions, as the dependent variable, are measured using indicators of investment objectives, understanding of risks and returns, and evaluation of past investment decisions. With increased financial literacy, respondents are better able to set clear investment goals, understand risks, and evaluate past investments.

These findings are in line with several previous studies which show that financial literacy has a significant effect on investment decisions.Ali et al. (2024)stated that all dimensions of financial literacy have a positive influence on investment decisions, as also found among private and public sector employees in Balochistan. Similarly, Khan et al. (2021)revealed that financial literacy encourages individual involvement in risky assets such as stocks and bonds.

Furthermore,Lusardi (2015)explains that financial literacy plays an important role in a person's ability to process economic information rationally, which will ultimately strengthen investment decision-making.Mahmood et al. (2024)even stated that financial literacy can help individuals reduce the influence of behavioral biases such as overconfidence and herding in investing. However, several studies, includingPratiwi et al. (2023)found mixed results, with financial literacy having an insignificant effect on investment decisions in certain contexts, while factors such as income and investment knowledge were more dominant. These results indicate that context and respondent characteristics are important factors in strengthening the relationship between these variables.

The demographic composition of respondents shows that the majority of respondents in this study were female (64%) and in the Generation Y group (69%), with an income above IDR 15,000,000 per month (45%). These characteristics have important implications, given that various literature states that women tend to be more careful and structured in making financial decisions.(Apergis, 2024; Kwon et al., 2023; Luo & Salterio, 2022; Ouyang et al., 2025), and that Generation Y is more adaptive to digital technology and investment(Asemi et al., 2023; Hanckel & Ann Hendry, 2025; Yi et al., 2023)Relatively high incomes also enable respondents to be more active in investment activities, as they have sufficient purchasing power and financial capacity. This financial support can encourage increased financial literacy through access to training and information, which ultimately can influence more mature and rational investment decisions. The cross-generational composition, involving Generation Z and Baby Boomers, demonstrates diverse financial characteristics, thus strengthening the relevance of the age-based moderation analysis in this study. This creates room for agencies to design financial literacy management strategies tailored to the needs and characteristics of each age group.

3.2.1. The Influence of Income on Investment Decisions

The results of the hypothesis test indicate that income has a positive and significant effect on investment decisions. This finding indicates that the higher an individual's income, the greater their tendency to make investment decisions. This aligns with the description of the income variable, which states that income is the primary economic resource supporting an individual's ability to save and invest.

Income indicators, such as the amount and source of income, income stability and growth, and the impact of income on investment and financial behavior, collectively explain how the availability of funds facilitates investment activity. When individuals perceive their income as sufficient for basic needs and have some remaining to set aside, they tend to be more flexible in considering various investment options. The ability to set aside a portion of their income for long-term goals can be a determining factor in realizing planned investment decisions. Conversely, if income is perceived as insufficient or unstable, the primary focus will shift to meeting basic needs, thereby reducing the capacity and motivation to invest.

Investment decisions, as measured by investment objectives, understanding risk and return, and investment evaluation, are significantly influenced by the financial capacity provided by income. Individuals with adequate income will more easily establish clear investment goals, such as retirement or education, because they have confidence in the availability of funds. Understanding risk and return also becomes relevant when capital is readily available for investment. Therefore, income not only paves the way for investment activities but also shapes individual behavior and strategies in making more focused and rational investment decisions.

This study's findings, which demonstrate a positive influence of income on investment decisions, align with various previous studies. Many studies suggest that higher income levels generally provide individuals with more resources to allocate to investment instruments.Latifah & Juwita (2022)as well asDewi Safitri et al. (2024)consistently find a positive correlation between income levels and investment decisions, confirming that financial capacity is a crucial prerequisite. However, some studies also offer a different perspective, suggesting that income alone is not always the sole determinant.Nurobikhainah et al. (2023)AndWilson et al. (2024)suggests that financial behavior can be moderated or even become a more crucial factor. This means that, despite high incomes, wise investment decisions also depend heavily on how individuals manage their finances.Primastuti & Gusti (2023)further explains that a positive financial attitude can strengthen the impact of income on investment decisions, although the direct effect of income may be limited.

Besides that,Li et al. (2024)AndChaudary et al. (2024) also highlights the importance of income in the context of investment decisions, albeit within broader contexts such as community renewal projects or investors' financial aspirations. This demonstrates that income remains a crucial foundation for enabling investment decisions, both through direct capital provision and through increased access to financial information and education that support better investment behavior. Thus, optimal investment decisions can be achieved when individuals have adequate income supported by positive financial literacy and behavior.

Furthermore, respondent demographics also provide important context for the study's findings. The majority of respondents were women (64%), who, according to previous research, tend to be more cautious in making financial decisions.(Apergis, 2024; Kwon et al., 2023; Luo & Salterio, 2022; Ouyang et al., 2025)This proportion can support the creation of a more structured work culture oriented toward long-term planning in personal finance and investment management at the West Semarang Pratama Tax Office. This prudence may contribute to more calculated investment decisions, although it needs to be supported by adequate financial literacy. Furthermore, the dominance of Generation Y (69%) in the respondent sample is also highly relevant. This generation is known to be productive, adaptable to technology, and more open to change, including in digital financial management and investment.(Asemi et al., 2023; Hanckel & Ann Hendry, 2025; Yi et al., 2023). This characteristic is in line with the finding that respondents already have investment experience (ID5) with the highest index in Investment Decisions), because Generation Y tends to be more active in seeking investment opportunities. This potential can be utilized to develop more innovative digital-based financial education programs, which can ultimately improve the quality of investment decisions. Meanwhile, the income distribution of respondents shows that the majority of employees are in the upper-middle income group (45% earn > Rp 15,000,000 and 38% earn Rp 10,000,001 – Rp 15,000,000). This relatively high income level directly supports their ability to set aside funds for investment, as reflected by the high outer loading on indicators INC.2 and INC.4. Adequate income also increases access to financial information and education, which in turn can contribute to increased financial literacy and more rational investment decisions. This condition creates a conducive environment for KPP Pratama Semarang Barat to encourage a healthy and sustainable investment culture among its employees.

3.2.2. The moderating effect of age between financial literacy and investment decisions

The results of the hypothesis test indicate that Generation Age cannot significantly moderate the influence of Financial Literacy on Investment Decisions among West Semarang Pratama Tax Office employees. The test was conducted based on the Generation Age indicator, which includes generation classification based on birth year and life stage, financial readiness for the future, and the level of financial literacy of each generation. Meanwhile, the Financial Literacy variable was measured through indicators of understanding financial management, knowledge and skills in financial management, and understanding of investment products. For the Investment Decision variable, measurements were carried out using indicators such as investment objectives, understanding of risks and returns, and investment evaluation. These results show that the interaction between Generation Age and Financial Literacy on Investment Decisions did not show a statistically significant effect in the context of this study. Thus, the existence of Generation Age as a moderator in the sample of West Semarang Pratama Tax Office employees did not have a sufficiently strong role in strengthening or weakening the influence of Financial Literacy on Investment Decisions.

Based on a simple slope analysis, the interaction between Financial Literacy and Generational Age on Investment Decisions also showed no significant trend across age groups. Simple slope analysis is used to examine the differences in the effects of Financial Literacy across age groups or generations, but the test results showed that the differences in trends were insignificant.

Furthermore, the f-square test results also indicate that the moderating effect of Generation Age on the relationship between Financial Literacy and Investment Decisions is very small and not statistically significant. This effect indicates that Generation Age's contribution as a moderator has not been able to increase the influence of Financial Literacy on Investment Decisions in this research setting.

The findings of this study differ from several previous studies that identified a significant role of generational age in moderating the relationship between financial literacy and investment decisions. Previous research has suggested that age or generational characteristics can influence levels of caution, financial knowledge, and even investment decision-making behavior.(Fong et al., 2021; Martin-Bassols, 2024; Mountain et al., 2021; Raj, 2025). As an example,Fong et al. (2021)shows that financial literacy has a stronger influence on younger age groups, while older groups tend to be more cautious and experience cognitive decline that can reduce involvement in risky investments. Meanwhile, researchRaj (2025)emphasizes that behavioral biases in investment decision making can differ between generations as a result of different experiences and risk management preferences.

Findings at the West Semarang Tax Office (KPP) actually indicate that the moderating effect of Generation Age is insignificant. This result may indicate that in this institution, the homogeneity of organizational culture, access to information, and relatively similar levels of financial literacy across generations are suspected to be the reason for the lack of significant differences in investment behavior based on age group. Therefore, this study provides a new perspective that in bureaucratic environments with certain characteristics, the moderating effect of Generation Age has the potential to weaken. Interestingly, within the context of Indonesian culture, a tendency was found for female employees to think more about and understand investments than men. This is reflected in the greater number of female respondents who have better investment literacy, indicating the role of culture and women's values of caution in long-term financial planning.

The composition of respondents at the West Semarang Tax Office (KPP) was mostly from Generation Y (69%), who generally have a high level of mobility and adaptability to the use of technology and financial information. Dominated by women (64%) with middle to upper income levels (> Rp. 15,000,000 as much as 45%), providing unique characteristics in the financial decision-making patterns of this institution, namely prudence, long-term planning, and openness to investment innovation. However, this generational homogeneity and internal economic stability are not enough to produce a meaningful difference in the role of Generation Age as a moderator in the relationship between Financial Literacy and Investment Decisions. This means that efforts to improve optimal investment behavior still need to focus on other aspects such as motivation, specific education, and the creation of an investment environment that supports sustainable portfolio evaluation and development.

The R-square test results illustrate the extent to which the variation in the dependent variable, in this case the Investment Decision, can be explained by the independent variables included in the research model. The data processing results indicate that the constructed model has good explanatory power, making it reliable in describing the relationship between the studied variables. This also indicates the feasibility and overall relevance of the model in the empirical context of the West Semarang Pratama Tax Office.

Furthermore, based on the results of the f-square test, the relative contribution of each predictor variable to the model can be identified. Through this analysis, it was discovered that some of the constructs used in this study played a significant role in employee investment decisions. Each variable exerts a different influence, so these results can provide an overview of which aspects require the most attention to be improved or maintained in an effort to enhance the quality of employee investment decisions.

In addition, the feasibility aspect of the model was also tested through the Standardized Root Mean Square Residual (SRMR) value. The SRMR test serves as a goodness of fit indicator that shows how well the developed research model is able to represent the collected empirical data. The SRMR value obtained is within the acceptable range, indicating that the model has a good fit to the data. Thus, the proposed structural model is suitable for use as a representation of the relationship between the variables of financial literacy, income, age, and investment decisions in this study. Overall, the results of the R-square, f-square, and SRMR tests strengthen the validity of the structural model used in this study. These findings confirm that the relationship between the studied variables is well structured and relevant to the research problem. With a strong and representative model foundation, the results of this study can be a valid basis in identifying factors that influence employee investment decisions at the West Semarang Pratama Tax Office.

4. Conclusion

The purpose of this study is to empirically examine and analyze the role of Financial Literacy on Investment Decisions among KPP Pratama West Semarang employees, as well as the influence of Income on Investment Decisions, by considering the moderating role of Age and Generation in the relationship between Financial Literacy and Investment Decisions. The results of the study indicate that: 1. Financial Literacy has a positive and significant influence on Investment Decisions: This study found that employees' financial literacy levels have a positive and significant impact on investment decision-making. Improved understanding of financial management, financial management skills, and investment products facilitate employees in setting clear investment goals, comprehensively assessing risks, and evaluating achieved investment results. Financial literacy, particularly the ability to assess investment risk and returns, has proven to be a crucial foundation for encouraging more rational and targeted investment behavior. 2. Income also influences investment decisions: The research also shows that income has a positive and significant influence on employee investment decisions. Adequate income facilitates individuals' ability to meet basic needs while simultaneously providing the potential for allocating funds for investment purposes, both short-term and long-term. The ability to set aside a portion of income for investment and long-term goals is a key indicator that strengthens the role of income in the investment decision-making process. Therefore, adequate income levels serve as a key motivating factor in encouraging active employee engagement. 3. Age Does Not Moderate the Effect of Financial Literacy on Investment Decisions: The results of the moderation analysis indicate that generational age cannot significantly moderate the influence of financial literacy on investment decisions in the West Semarang Pratama Tax Office. Variations in age groups and demographic characteristics, although providing their own patterns in financial behavior, do not show a significant differentiation of influence in the relationship between financial literacy levels and employee investment decisions. The homogeneity of organizational culture, equal access to information and training, and similarities in financial literacy levels between generations are suspected to be the main causes of the insignificant role of age as a moderator in the context of this study. Interestingly, in the Indonesian cultural context, a tendency was also found that female employees think more about and understand investments than male employees.

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