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Effects of Financial Literacy and Investment Experience on Access to Finance and Investment Decisions in Small Enterprises in Southeast Sulawesi

Ummy Kalsum, Buyung Sarita, Edi Cahyono, Andi Basru Wawo

Abstract-This research aims to the effects of Financial Literacy and Investment Experience on Access to Finance and Investment Decision in Small Enterprises in Southeast Sulawesi. The research population is all of the small enterprises in Southeast Sulawesi. The approach used is survey method on 395 respondents that are distributed in 12 regencies / cities that are determine in proportional random sampling. The analysis tool is Partial Least Square (PLS). Results of the research indicate that the Financial Literacy affects positively and significantly on Access to Finance, Financial Literacy affects positively and significantly on Investment Decision, investment experience affects positively and significantly on Access to Finance, investment experience affects positively and significantly on Investment Decision and acces to finance affects positively and significantly on investment decisions.

Index Term-Financial Literacy, Investment Experience, Access to Finance, Investment Decision of Small Enterprises

1 Introduction

Literacy in general refers to one's ability to read and write (Zarcadoolas, Pleasant, and Greer 2006). This literacy idea has been expanded to learn certain skills, such as computer literacy and financial literacy (Wecker, Kohnle, and Fischer 2007). Financial literacy significance - in the same position to intense innovation activity in the field of financial products – has face quite large revaluation since the last eight years, simultaneously affected by changes on demography, economy and politic. (CBF, 2004a; Habschick, 2007; IBRD, OECD, DFID dan CGAP, 2009)

According to Baker and Nofsinger, (2010) the most complex response in current investment creating the most intervention on Financial Literacy is clear and general response on increased financial world complexity. There are many social policies used to improve social problems (Monticone, 2010). Financial Literacy is generally considered as special knowledge related to how an individual manages his or her financial. According to Nye, Pete and Cinnamon, (2013) "Financial Literacy is a measure in which one understands the main concept of financing and has ability and self-confidence to manage personal financial through appropriate and voice long term decision making, while considering any life events and changes on economic conditions.

Company probability and sustainability will be achieved, but it is necessary for Financial Literacy. Financial Literacy is an inseparable issue in one's life since it is considered as a useful tool to create investment decisions. There are still relatively lack researches in various countries concerning the Financial Literacy. Byrne (2007) found out that low Financial Literacy will cause wrong financial plan creation and cause bias in welfare achievement at unproductive ages. Financial literacy is an important issue for investors in different dimensions as they utilize their knowledge to take them to create healthy investment decision.

Knowledge and experience have close relations. As in results of the research conducted by Argawal.et.al., (2007), it found out that most of financial errors by an individual are caused by low financial knowledge level. So that it can lead to inappropriate financial decision, this is the reason of failure. Education can describe this problem by giving knowledge and financial decision in doing any works (Bernheim and Garrett, 1994).

Lack of experiences sometimes leads to lack of innovation in decision making as result of the research by Lusardi and Mitchell, (2007b; Campbell, 2006) it is not enough to only save for pension and in fact it results in creating more debts, and it does not utilize any financial breakthrough. People with low financial literacy have more possibility to depend on their family and friends as main source of counseling of their financial. Current financial condition indicates great level of debts. Severe effect of gathering is more liabilities so that it can be categorized as bankruptcy (Roberts and Jones (2001). The cause of mistake is mismatch between what individual knows and how simple their financial knowledge (Agnew and Szykman, 2005).

An investor with bad experiences in investment indicates that the investor has quite experiences in investment. An experienced investor in investment decisions will be addicted to make more investment, as well as will select type of investment with higher risks. Chou et al., (2010) emphasized that investor behavior is affected by his past experiences. An experienced investor has a tendency to prefer risked portfolio since he has more experiences on how to solve it correctly. Good investor experiences will affect on investor and investment decision.
Success past investment experience affects on more experiences resulting in high return level. So, past investment behavior has positive relation to investment decision. Investment experience

is proven as a tool to improve the investor trust level. An experienced investor has bad and good experience portfolio. A wise investor learns from past experiences to handle any risk situation and solve it correctly, when he learns many things then he can go to risk investment to obtain high profits with effect management.

For majority of small enterprises at the beginning, its development relies on their own source of financing, meanwhile, in further stage of life cycle, needs of equity exceeds the owner internal ability so that the in providing investment and business development funds should consider external financing source. For new company or one entering initial stage, financing from external source may be so problematic. Although, the founders of the entity may have ability of financing the initial activity, but then it will be more difficult to finance the capital project. The reason for this is the consideration that SME is more risky than big companies.

Investment decision making process is a critical process depending on various factors that may be different among individuals. Meanwhile, in all types of decision making, people can use different approach. Some may make decision by consideration, and some may consider other many factors directing them to act based on the appropriate decision. The decision making process will be easy when all of the confounding variables are known well by the investor. The variables lead to appropriate decision making so that in the future any loss can be avoided or decreased.

Investor in general makes investment analysis by utilizing fundamental analysis, technical analysis and assessment. Investment Decision is often supported by decision tool. This is assumed that market information structure and systematic factors are affected by individual investment decision and market results. These factors will focus on how an investor interprets and acts on the information to make Investment Decision.
There are various approaches that have been done in order to assess which factor affecting on the Investment Decision and affecting on Investment Decision. Researches based on survey data (Bond et al. 2003;. Enoma and Mustapha 2010; Gill et al 2012;. Karima and Azman-Sainib 2012; Masini and Menichetti 2013; Morgan 1987; Newell and Seabrook 2006), annual accounts data (Liu and Pang 2009), personal interview (Ekanem 2005; Newell and Seabrook 2006) and direct observation (Ekanem 2005). The methods used consist of dunamic neoclassic investment function based on estimation moment general method system (Karima and Azman-Sainib 2012; Liu and Pang 2009), principal component analysis (Enoma and Mustapha 2010;. Gill et al 2012; Masini and Menichetti 2013; Tsado and Gunu 2011), multi-criteria decision making procedure on hierarchy process anslysis (Newell and Seabrook 2006), econometric analysis (Hogan and Lewis 2005; Masini and Menichetti 2013).

This research aims to determine and analyze: (1). Effects of Financial Literacy on Access to finance (2). Financial Literacy on Investment decisions, (3). Investment experience on Access to *finance*, (4). *Investment experience* on *Investment decisions* dan (5). Analyze the effects of *Access to finance* on *Investment decisions* of Small Enterprises in Southeast Sulawesi.

2 Literature Study

2.1 Financial Literacy

Financial literacy was first triggered by the Jump$tart Coalition in 1997 as "the ability to use the knowledge and skills to effectively manage personal financial resources for lifelong financial security". However, financial literacy has some meanings. The President's Advisory Council on Financial Literacy defines financial literacy as "the ability to use knowledge and skills to effectively manage financial resources for financial well-being for life" (The President's Advisory Council on Financial Literacy, 2008).

Remund (2010) defined financial literacy as "a measure of the extent to which one understands the key to financial concepts and has the ability and self-confidence to manage personal finances appropriately, short-term decision making, long-term financial planning, attention to life events and changes in economic conditions. Lusardi and Mitchell (2014) defined Financial Literacy as "the ability of people to process economic information and make decisions about financial planning, wealth accumulation, debt, and pensions."

2.2 Investment Experience

Investment planning is influenced by investment experience in the past and forecasts about future profit opportunities. Employers are willing to invest in stocks as well, which their decisions depend on their past experience and the expected level of sales. "In making their plan, entrepreneurs take the account on one side of expected profit levels and risks of various potential investment opportunities, and, on the other hand, the cost If the expected profit level exceeds the financial cost by the margin required to cover the element of risk, the entrepreneur will want to implement the project. " (Harcourt et al., 1967, p.151)

2.3 Acces To Finance

For Small and Medium Enterprises (SME), there are two external financing which mostly serve an important role in business financing. The first is equity financing given in the form of ventura capital and available for new small enterprises (Deakins, 2008). However, by lack of equity financing, small enterprises overtake debt financing which mostly are provided by bank and non-banking entity. For sure, there is a very limited access to debt financing mainly for SME because of debt provision requirement (Deakins, 2008). The financing method can be in the form of equity financing and debt financing.

2.4 Investment Decision

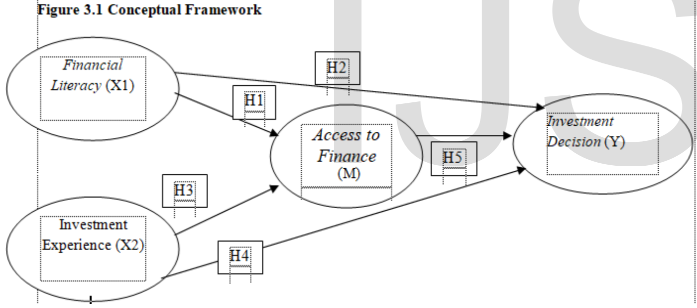
Manager tends to use internal data to finance investment since managing this type of financing can be more flexible than external financial (Baumol, 1967). In addition, owner / manager of the company usually has better information than the creditor regarding the specific characteristics of their company. This is very important because it can lead to restrictions on lending and, as a result, the company reduces its investment. This conflict is rather contrary to perfect market conditions, namely markets without asymmetric information or financial constraints, where capital investment should not be affected by the company's cash flow but must be determined entirely by the investment opportunities of the company (Wei & Zhang, 2008).

Investor's decision to invest is subjective. The decision depends on the expected cost, knowledge of improvement techniques and risk perceptions, which are entirely subjective factors. Employers want to know the pay-off period of an investment project to decide whether they will actually make the investment expenditure or not. (Harcourt et al., 1967) For a good investment decision, investors need to understand fully and correctly the probability and this decision should not be done in a hurry. Incorrect investment decisions can lead to corporate bankruptcy. It is necessary to understand the basic ideas of Investment decision to get the maximum value from the appraisal process. In evaluating an investment, indicators about the specific nature of the project and accurate information should be well known to the decision maker. (Avram et al., 2009).

3 Frame Work and Hypotheses

It is necessary for complete and correct understanding on probability of an investment by an investor so that he or she can create good Investment decision. However, the decision may not be created in a hurry. Wrong Investment decision can cause the company bankruptcy. Therefore it is greatly necessary for the literacy. based on the theory, further empirical study and phenomena are prepared in the conceptual framework as in figure 3.1

Figure 3.1 Conceptual Framework



Relations in the conceptual framework in brief can be seen in previous research table:

Table 3.1 Summary of Research Hypotheses

H1:	*financial literacy - Access to finance*	Chaiyuth Punyasavatsut (2011), Samuel Adomako and Albert Danso (2014), Henri Jacques Tuyisenge (2015), Wachira and Kihiu (2012)
H2:	*financial literacy - investment decisions*	Al-Tamimi and Kalli (2009), Selim Arena, Sibel Dinç Aydemir (2015), Kashif Arif (2015) Hawati Janor, Rubayah Yakob, Noor Azuan Hashim, Zanariah, Che Aniza Che Wel (2016),
H3:	*investment experience- Access to finance*	Gveroski and Risteska Jankuloska (2017),
H4	*Investment experience - Investment decisions*	Ruey-Dang Chang & Jo-Ting Wei (2010),
H5:	*Access to finance - Investment decisions.*	Gveroski and Risteska Jankuloska (2017) Chaiyuth Punyasvatsut (2011), Hezron Mogaka Osano and Hilario Languitone (2016)

4 Research Methods

The research location is in Southeast Sulawesi Province. Duration of data collection is 1-2 months with details of time: in the first month the researcher contacted the agency / BUMN which provided assistance to the SME and collected information about SME then contacted the owner / manager of business to request approval to do research on the company, then the researcher gave the questionnaire. Then, the researchers collected questionnaires that have been filled by respondents. The population of this research is all small-scale enterprises in Southeast Sulawesi Province. There are 24,526 SMEs in 17 regencies / cities. Sampling technique on non probability sampling used is quota sampling and purposive sampling. The data types of this study include quantitative data and qualitative data. While the data sources of this study include: primary data and secondary data. The data collection methods to be used are questionnaire, and interviews

Data analysis is necessary for achieving the research goals and tests the proposed hypotheses. The technique used is descriptive statistic analysis technique to obtain description on SME condition in Southeast Sulawesi and SME PLS inferential statistic namely testing the prediction of tested variables.

Linearity Assumption Test of Partial Least Square (PLS)

Evaluation of Partial Least Square (PLS) is preceded by performing linearity assumption test, namely testing the relationship between latent variables whether they have linear relationship. The linearity test in this research uses Curve of Fit method using SPSS software. The result is presented in Annex 3. The reference used is parsimony principle, namely, the model is said to be linear if it meets one of the following 2 (two) possibilities: (1). The linear model is significant (sig linear model ≤ 0.05) and (2). The linear model is non-significant (sig linear model 0.05, and sig model other than linear> 0.05). The result of linearity test between variables is presented in the following table

Table 4.1. Results of Linearity Assumption Test

Inter variable relationship		Linearity test results			
Exogenous Variables	Endogenous variables	R2	F	Sig.	Ket.
Financial literacy	Investment decisions	0,155	21,686	0,000	Linear
Financial literacy	Access to finance	0,099	18,344	0,000	Linear
Investment experience	Investment decisions	0,166	15,799	0,000	Linear
Investment experience	Access to finance	0,109	13,543	0,000	Linear
Access to finance	Investment decisions	0,008	4,201	0,000	Linear

Source: Annex of Linearity Assumption Test, 2018

From the testing results of linearity assumption as presented in Table 5.3 3 it is known that the relationship of financial literacy (FL), investment experience (IEx), and access to finance (ACT), on investment decisions (ID), is linearly non-significant because the level of significance is less than 5 percent (p <α = 0.05). Test results can be concluded that all of the inter-variable relationships presented in the structural model are linear, so the assumption of linearity in the PLS analysis is met. Thus, it is proven that the data used meet the linearity requirements and can be done further analysis

5 Results Analysis

5.1 Partial Least Squares (PLS) Analysis

Data analysis in this research uses Partial least square (PlS). PLS is a variance-free-based model of structural equation (SEM). Evaluation of PLS model in this research is based on 2 (two) basic evaluation, namely: First, evaluation of outer model to know the validity and reliability of indicators that measure

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the latent variables. Criteria of validity test and reliability of the instrument in this study refers to discriminant validity, convergent validity and composite reliability. Second, assessing (inner model) or structural model to see relation between construct, significance value and R-square of research model. Inner model test in the Partial Least Square (PLS) analysis is conducted by re-sampling bootstrapping.

5.2 Measurement (Outer Model)

The measurement of latent variables is analyzed by seeing at the convergent validity. The convergent validity testing on PLS can be seen from the amount of outer loading of each indicator to the latent variable. Outer loading is above 0.50 (Ghozali, 2015). All latent variables namely customer satisfaction, trust, commitment, demographic and loyalty are measured by reflective indicators, so evaluation of the measurement model can be done by looking at the values of convergent validity, discriminant validity, and composite reliability. Based on the assessment of the measurement model of the bootstrapping result on the PLS method, the test of each indicator reflecting the latent variable can be explained as follows:

a Discriminant Validity

Discriminant validity aims to test to what extent the latent construct is completely different from other constructs. High value of discriminant validity indicates that a construct is unique and can explain the phenomenon being measured. A construct is valid if the AVE value is greater than 0.50 (Fornel and larcker in Ghozali, 2006). How to test discriminant validity is to compare the square root value of the average variance extracted (√AVE) with correlation and construct values. Discriminant validity can also be measured using cross loading value. If the cross-loading value of each indicator of the latent variable is greater than that of cross loading of other variables, then the indicator is said to be valid. The results of computer program of Partial Least Square (PLS), the cross loading value in this study are presented in Table 5.1

Validitas Diskriminan

Fornell-Larcker Kriteria | Cross Loadings | Rasio Heterotrait-Monot... | Rasi

	Acces to Finan...	Financial Litera...	Investmen Exp...	Investment De...
Acces to Finan...	0.712			
Financial Litera...	0.566	0.614		
Investmen Exp...	0.582	0.548	0.687	
Investment De...	0.756	0.711	0.702	0.685

Based on Table 5.1 it is found that all indicators of latent variables provide valid values, since all cross loading values are above 0.50 and significant at 0.05 Thus, overall cross loading values of variable indicators of financial literacy, investment experience, access to finance and investment decisions are above the cross-loading value of other latent variables, so the research instrument is said to be valid.

b Convergent Validity

Convergent Validity is measuring the validity of the indicator as a measure of the variable that can be seen from the outer loading of each variable indicator. An indicator is said to have good reliability, if the outer loading value is above 0.70. While the outer loading value can still be tolerated for the model still in development, except for the indicators with outer loading less than 0.50, they can be dropped from the analysis (Ghozali, 2015). Outer loading value analysis can also be done by comparing the t-statistic value above 1,96 or (p-value α <0,05), then the outer loading value is interpreted on the contribution of each indicator to the latent variable.

Outer loading on an indicator with the highest value, means that the indicator is the strongest or most important measure in reflecting the latent variable in concerned. For more details description of the test results analysis and evaluation of the measurement model of each latent variable or construct in this research, it can be seen from the outer loading value of each indicator.

Description on testing of analysis results and measurement model evaluation of Financial Literacy, Investment Experience, Investment Decisions variables can be seen in the following table:

Table 5.2 *Outer Loading Financial Literacy* (X1)

Variable/Indicator	*Outer Loading*	*t statistic*
	***Financial literacy* (X1)**	
X1.1	0,790	10,061
X1.2	0,554	3,412
X1.3	0,790	1,465
X1.4	0,616	4,729
X1.5	0,564	1,968
X1.6	0,752	9,528
X1.7	0,759	6,349
X1.8	0,643	7,273
X1.9	0,669	7,442
X1.10	0,752	12,155
X1.11	0,759	14,672
X1.12	0,643	1,996
X1.13	0,669	1,986

Table 5.3 *Outer Loading Investment Experience* (X2)

Variable/Indicator	*Outer Loading*	*t statistic*
	***Investment Experience* (X2)**	
X2.1	0,550	4,214
X2.2	0,754	12,221
X2.3	0,599	5,125
X2.4	0,861	21,353
X2.5	0,668	6,634
X2.6	0,725	10,225

Table 5.4 *Outer Loading Accass to Finance* (X2)

Variable/Indicator	*Outer Loading*	*t statistic*
	Access to Finance (M)	
M1.1	0,731	7,165
M1.2	0,839	13,892
M1.3	0,749	7,761
M1.4	0,571	29,643
M1.5	0,583	2,853
M1.6	0,531	3,741

Table 5.5 *Outer Loading Investment Decisions* (Y)

Variable/Indicator	*Outer Loading*	*t statistic*
***Investment* Decisions (Y)**		
Y1.1	0,609	4,851
Y1.2	0,730	7,473
Y1.3	0,702	8,621
Y1.4	0,700	8,637
Y1.5	0,824	16,804
Y1.6	0,582	5,991
Y1.7	0,755	11,855
Y1.8	0,756	10,529
Y1.9	0,515	8,711

The result of outer loading financial literacy, investment experience, acces to finance dan investment decisions. as shown in Table 5.2 - 5.5 above shows that all indicator variables have values greater than 0.50. The correlation between all indicators is overall positive and significant. It can be interpreted that all indicators of the 4 (four) variables are the strongest or most important measure in explaining investment decisions variable.

c Compositer Reliability

Compositer reliability tests the reliability value between the

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indicator of the constructs forming it. Compositer reliability results are said to be good, if the value is above 0.50 (Ghozali, 2015). The result of compositer reliability test of the measurement model of this research can be presented in table 5.6

Table 5.6. Validity and Reliability Constructs

Matriks | Cronbach's Alpha | rho_A | Reliabilitas Komposit | Rata-rata Varians Diekstrak (... | Salin ke Clipboard: | Format Excel | Format R

	Cronbach's Alpha	rho_A	Reliabilitas Komposit
Acces to Finance (M)	0.808	0.899	0.856
Financial Literasi (X1)	0.782	0.835	0.832
Investmen Experience (X2)	0.769	0.797	0.839
Investment Decision (Z)	0.853	0.864	0.885

Testing results in table 5.6. obtain the values of compositer reliability financial literacy, investment experience, access to finance and investment decisions indicating that the four latent variables studied have good reliability because the values are greater than 0.50. Thus, all instruments used in this study have met the criteria or reliable to be used in the measurement of all latent variables namely, satisfaction, trust, commitment and loyalty because they have good reliability.

5.3 Structural Model (Inner Model)

a. R-Square Evaluation

Testing on the structural model is evaluated by considering the percentage of described variance, namely by looking at the R2 value for the latent dependent variable by using the predictive relevance (Q2) value. The amount of Q2 with range 0 <Q2 <1, closer to value 1 means that the model is getting better. Similarly, the other way if below 0 (zero), it indicates that the model lacks predictive relevance.

To assess the model with PLS, it starts by looking at R-Square of each latent variable. Changes on R-Square values can be seen as a goodness-fit-model test. It is used to assess the effect of independent variables on the dependent variable whether it has a substantive effect. The coefficient of determination (R2) of the endogenous variables is presented in Table 5.7

R Square

Matriks | R Square | Adjusted R Square

	R Square	Adjusted R Sq...
Acces to Finance (M)	0.426	0.402
Investment Decision (Z)	0.739	0.722

Based on the data calculation, it can be seen that the predictive relevance value of access to finance variable is (Q2) = 0,819 or 81,9%. This means that this research model accuracy can explain the diversity of financial literacy, investment experience, access to finance and investment decisions by 83.3%. The remaining 16.7% is explained by other variables. The model is said to be good or the model is said to have an accurate estimation value. It can be concluded that the research model can be used for hypothesis testing. This means that the Q2 value obtained can be said that the model formed has a good accuracy because the value is above 60%.

5.4 Path Coefficient Testing

Table 5.8. Hypothesis testing and path coefficient direct effects are between financial literacy, investment experience, access to finance and investment decisions variables. The result of direct effect test can be seen from the path coefficient which are significant at α = 0,05 . It can be seen that out of the 5 direct effects between the tested variables, all have significant effects with the resulting t-statistik values that are greater than 1.96. The results of direct impact testing

Table 5.8. Path Coefficient of Direct Effect and Hypothesis Testing

Hypot heses	Direct Effects	Path Coefficient	T statistic	p-value	Empirical Evidence	
H1	Financial literacy -> Access to finance	0,360	2,785	0,006	Significant	Accepted
H2	Financial literacy --> Investment decisions.	0,325	3,147	0,002	Significant	Accepted
H3	Investment experience --> Access to finance	0,378	3,203	0,001	Significant	Accepted
H4	Investment experience -> Investment decisions	0,274	2,222	0,027	Significant	Accepted
H5	Access to finance --- >Investment decisions	0,409	4,067	0,000	Significant	Accepted

Notes : CR* = Significant in α = 0,05 (annex)

6 Discussion Result

6.1 Effects of Financial Literacy On Access to finance

Testing of 2nd Hypothesis (H2) stating that Financial Literacy affects on Access to finance, is accepted this is proven by the statistic testing showing that the path coefficient value (original sample estimate) is 0,360. This indicates that improved Financial Literacy affects on the Access to finance. This research finding supports the research by Chaiyuth Punyasavatsut (2011) having conclusion that better literacy will decrease financial gap faced by SMEs. Financial gap or limited access to finance, mainly bank credits for SMEs, can be found by a number of reasons. Economic theory emphasizes on role of asymmetric information between lenders and borrowers, and the perceived high risk of lenders to SMEs. In explaining the gap, literature on the analysis gap shows that business characteristics and firm characteristics are crucial in determining credit access. Identifying the key factors contributing to this gap will provide insight into formulating financial and development policies for SMEs assistance.

This research finding supports the research by Henri Jacques Tuyisenge (2015), in which financial literacy is greater control on one future financial, using more effective product and access to finance. Research results by Henri Jacques Tuyisenge (2015) among others are: the Financial Literacy level in SMEs Urwego Opportunity Bank was low to face complexity of banking problems. On another side, available financial information quality for financing institution is rather bad. Credit decision is difficult and collateral requirements as well as interest rate are high, substantially worsen the access to credit.

This research also supports the research by Olomi and Urassa (2008), a Tanzanian-based study, concluding that there is a relationship between financial literacy and access to finance. The study identified three main groups of barriers of access to finance by SMEs. The first group of factors includes capacity (low levels of knowledge and skills), a less developed business culture, not separating business between personal and family issues, SMEs credit history, and lack of knowledge about available financial services. The second factor group includes the number of competent personnel and the lack of experience of SMEs. The third group of factors is related to environmental regulations where there are transactions between lenders and borrowers, lack of system identification, and credit reference agencies.

6.2 Effects of Financial Literacy On Investment Decisions

Financial Literacy is how to manage money in terms of insurance, investment, savings and budgeting (Hogart, 2002). Financial Literacy refers to a person's ability to understand and use financial concepts (Servon and Kaestner, 2008). Vitt et al., 2000; Cude, 2006; -Tamimi and Kalli, (2009) examined the Financial Literacy in the UAE states that the Financial Literacy level among UAE investors is below the required level, investors with high education have a significant effect on investment.

Investment decisions by individual investor are usually based on their personal factors, one of which is education. Education is one of the factors in considering investment decisions (Lubis et al., 2013). Individual investor has different levels of education so it can be understood that there are various ways of investment decisions with different education levels (Lutfi, 2010; Obamuyi, 2013). Ann investor with higher education will have more understanding in choosing a stock investment that can give optimal returns and avoid risk. Higher educational levels lead to increasingly tolerant of investment risks (Lewellen et al., 1977; Schooley and Worden, 1999). Educated Investors until undergraduate level may consider many factors related to investment activities before making a decision (Christanti and Mahastanti, 2011). This research findings support the research by Mustabsar Awais et al (2016) which the empirical results of the research indicate that respondents with more confident in their financial knowledge indicate higher planning levels.

6.3 Effects of Investment Experience On Acces to Finance

Hypothesis (H3) in this research can be accepted stating that the Investment experience affects on the Access to finance, this supports a research conducted by Hezron Mogaka Osano and Hilario Languitone (2016) with one of the research conclusions stating that there are relationships between small enterprise experience and access to finance.

This research finding supports a research by Gveroski and Risteska Jankuloska (2017), stating that experience is one of the determinant factor in implementing financial management. This often causes lack of planning in small enterprises; lack of skills by manager because of lack of certain skills as a result of knowledge on practical experiences for investment decisions that have direct correlation with the managers. Past experience, training, education and possession of appropriate skills; Inability to start with investment due to lack of knowledge of where to start; Dealing with many uncontrolled and untouchable variables that increase planning uncertainty; Lack of time because they are mostly dedicated to everyday problems; Lack of energy due to concentration on daily activities and misunderstanding of strategic planning importance. Such characteristics lead to situations in which the owner's manager creates incorrect financial decisions leading to corporate failure. That means that these companies do not hire competent recognized personnel to any issues and techniques of financial management, particularly investment management.

6.4 Effects of Investment Experience On Investment Decision

Investment Experience has properly perceived by the respondents; this can be seen from mean of respondent answers by 4,26. It means that the respondents have assess correctly the Investment Experience if it is perceived from the indicators of: More experience and less experience. Based on the results of analysis with PLS, it is known that the largest indicator in reflecting Investment Experience based on the outer loading values is the 2nd statement, namely duration business helps the achievement of your business profit, with a value of 0.754. The indicator is not the mean of the highest answer but the respondent realizes that longer investment experience can provide more effects on the investment decision.

Experience in business will affect on the investment decision (Yohson 2008). It will create a bolder person to invest in a type of higher risk investment, and will calculate any arising risks when the person will take an investment decision. So it can be said that high experienced people will tend to choose type of higher risk investment, because experienced person has had enough experience in making investment decisions. So for small businesses in Southeast Sulawesi, the investment planning is influenced by investment experience in the past and forecast about future profit opportunities.

Testing of the 4th hypothesis (H4), stating that Investment experience affects on Investment decisions, meaning that the improved Investment experience affects on the Investment decisions. Thus, the proposed 4th hypothesis in this research can be accepted. This research finding supports the research conducted by Ruey-Dang Chang & Jo-Ting Wei (2010), stating that Investment experience affects on Investment decisions,

Experience factor in this research is a matter affecting on the competence or ability owned by investor. According to Heath and Tversky in Wibisono (2013) experience factor is also one of the factors that affect ont the competence of investors in trading stocks. Investors with a lot of investment experience indicate that the investors have better ability to make decisions in transacting when compared with less experienced investors. This is because investors with more experience will have better knowledge in dealing with certain situations that may occur and become more competent in trading stocks. Experience factor in this study is also meant as the investment duration by the investor or how long the investors dealing with the investment world. Ellis (2006) stated that better person in understanding himself as an investor and the more understanding by the investors concerning market securities will lead to more understanding on combination of long-term assets that are truly appropriate for the portfolio and greater possibility to maintain long-term investor commitment,

The findings support a research conducted by Xing Huang (2013). The psychological literature suggests that personal outcomes have a greater effect on personal decisions than information obtained only by reading, decided without personal involvement (Weber, Bockenholt, Hilton, and Wallace, 1993 in Xing Huang (2013)

6.5 Effects of Investment Experience On Investment

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Decision

The findings in this study are state that Access to finance affects on investment decisions, Access to finance allows small businesses to make productive investments and contribute to national economic development and poverty alleviation in large part. This is because finance is an essential element for determining the growth and viability of SMEs (ACCA, 2009).

The result in this study stating that Access to finance affects on investment decisions, supports a research conducted by Gveroski and Risteska Jankuloska (2017) stating that Access to finance affects on investment decisions. Gveroski and Risteska Jankuloska (2017) explained that Business development is one of the basic principles of business and the most important part of the whole development process is investment. The investment decision-making process as a complex and dynamic process involves the analysis of all factors (financial, market, technology, location, social), forecasting various alternative understanding and evaluation of its effects. There is difference on the procedures for evaluating investment project reliability between small and medium enterprises rather than in large enterprises. The difference is from the possibility of access to finance for small businesses, opportunities and ability for planning by small business owners, short-term orientation in operations and others. Therefore, small businesses often avoid investment decision processes or are made only in simple manner. Business environment analysis and Several investment criteria.

Fuss & Vermeulen, (2004) explained; in the period of economic growth, SMEs will have easier access to debt and higher levels of cash flow in order to stimulate investment. The findings in this study also support the theory put forward by Mendes et al (2014), stating that theory of corporate investment can be divided into two main groups: the theory stating that investment more depends on external conditions in which the company operates, and the theory stating that investments depend on the company's internal conditions.

The findings of this study also justify the statement (Shefrin 2000, Shleifer, 2000, Warneryd, 2001) which states that research in the field of behavioral finance has grown rapidly in recent years and provides evidence that investors' financial decisions are also affected by internal and external behavioral factors.

6.6 Findings

Based on the results of data analysis and discussion, theoretical and empirical studies of this study find out that:

1. Access to finance is the variable with the highest path coefficient, so that it provides strongest effect on the investment decisions of small enterprises in Southeast Sulawesi meanwhile, the investment experience is the variable with the lowest path coefficient.
2. The predictive relevance value of access to finance variable is 0,819 atau 81,9%. It means that the model accuracy in this research can describe the diversity of financial literacy, investment experience, access to finance and investment decisions variables by 83,3 %. So the model can be said to have accurate estimation value.
3. Results of this research develop results of the research by Mustabsar Awais, et al (2016), incorporating other factors affecting investors on the decision-making process. Also in other economic contexts that have different economic and political conditions from Pakistan. Another factor affecting investors on the decision-making process especially in the Small-Scale Business sector is access to finance based on a research conducted by Gveroski and Risteska Jankuloska (2017) which concluded that the main determinants affecting on the investment decisions is access to finance.

6.7 Limitations

This research has been done maximally, but given the wide coverage of the discussion, this study has the following limitations:

1. Respondents of this study are limited to small enterprises in Southeast Sulawesi Province. It thus limits the generalization of findings of Gveroski and Risteska Jankuloska (2017) research including the SMEs.
2. Analysis of this research data is based on limited survey data to presentation of relationship analysis in a single point of time (cross sectional), because the dynamics of access to finance is constantly changing, then to identify these changes, it is necessary for further research studies and reexamining whether there are any changes on the relationship between analyzed variables in this study.
3. This research does not analyze in details concerning indicator of demographic factors of small enterprises actors (age, gender, education and income).

7 CONCLUSION

Based on the research results, it can formulate some conclusion as follow : (1). Financial Literacy affects on Access to finance, meaning that better financial literacy by small enterprise actors in Southeast Sulawesi will decrease financial gaps faced. (2). Financial Literacy affects on Investment decisions (3). Investment experience affects on Access to finance, meaning that longer time of Investment experience will lead to better access to finance as one of the determinant factors in implementing the financial management. Lack of experience will cause lack of knowledge in which where to start. (4). Investment experience affects on Investment decisions. It means that Investment experience will create a bolder person in making investment with type of higher risk investment, as well as will consider any arising risks when the person will take investment decision. So that it can be said that experienced person has had enough experience in investment decision making. So, for small enterprises in Southeast Sulawesi in investment planning is affected by past Investment experience and forecasting any future profit opportunity and (5). Access to finance affects on Investment decisions, meaning that better Access to finance will lead to better Investment decisions by small enterprises. Access to finance enables small enterprises in Southeast Sulawesi to take productive investment and contribute on the economic growth. This is because Investment decision by small enterprises is an essential element to determine the growth and sustainability of the small enterprises.

8 SUGGESTIONS

Based on the results and conclusions of this study, it can be proposed the suggestions as the recommendation of this research as follows:

1. Financing is one of the main factors of growth and development of Small Enterprises in Southeast Sulawesi. The establishment of small businesses, the expansion of business activities, the development of new products and the investment of machinery, equipment and human resources, are the condition of the company's opportunity to meet the capital requirements. The use of various sources should ensure adequate capital volumes and their corresponding security dynamics in accordance with the projected value of investment accounting and the dynamics of the implementation of investment activities. Financial construction for investment projects can be a combination of different sources, the researchers suggest the need for capital structure variables in further research.
2. Access to finance by Small enterprises in Southeast Sulawesi is required extra attention so that small enterprises have sufficient financial resources and utilize these resources to produce better returns from investment decisions.
3. Financial Literacy of Small Business in Southeast Sulawesi is good in taking investment decisions, understanding to choose any investment that can give optimum returns, it is expected that related institutions both government and academicians give more support so that Small Enterprises in Southeast Sulawesi can continue to maintain its sustainability.
4. The More Sustainable Small Business in Southeast Sulawesi namely well maintained one are better investment experience, so it is necessary to get attention.

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