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# Dampak Persepsi Inflasi, Suku Bunga, dan Harga Emas terhadap Keputusan Investasi Jangka Panjang dan Pengaruhnya terhadap Pertumbuhan Ekonomi

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**ABSTRACT**

Penelitian ini bertujuan menganalisis pengaruh persepsi inflasi, suku bunga, dan harga emas terhadap keputusan investasi jangka panjang serta implikasinya terhadap persepsi pertumbuhan ekonomi di Indonesia. Berbeda dengan penelitian sebelumnya yang umumnya menggunakan indikator makroekonomi objektif, studi ini menekankan pendekatan berbasis persepsi individual untuk memahami perilaku investasi dari perspektif behavioral finance. Dengan menggunakan pendekatan kuantitatif eksploratif dan metode *Structural Equation Modeling–Partial Least Squares* (SEM-PLS), data dikumpulkan dari 89 responden investor aktif melalui kuesioner daring. Hasil penelitian menunjukkan bahwa persepsi harga emas berpengaruh positif dan signifikan terhadap keputusan investasi, sementara persepsi inflasi dan suku bunga tidak menunjukkan pengaruh signifikan. Selain itu, keputusan investasi tidak terbukti memediasi hubungan antara persepsi makroekonomi dan persepsi pertumbuhan ekonomi. Temuan ini mengindikasikan bahwa faktor aset safe-haven dan bias persepsi lebih dominan dalam membentuk keputusan investasi jangka panjang dibandingkan indikator makroekonomi objektif. Penelitian ini berkontribusi pada pengembangan literatur behavioral finance di negara berkembang serta memberikan implikasi bagi perumusan kebijakan literasi investasi berbasis perilaku.

*This study aims to analyze the influence of perceptions of inflation, interest rates, and gold prices on long-term investment decisions and their implications for perceptions of economic growth in Indonesia. Unlike previous studies that generally use objective macroeconomic indicators, this study emphasizes an individual perception-based approach to understanding investment behavior from a behavioral finance perspective. Using an exploratory quantitative approach and the Structural Equation Modeling–Partial Least Squares (SEM-PLS) method, data were collected from 89 active investor respondents through an online questionnaire. The results show that perceptions of gold prices have a positive and significant effect on investment decisions, while perceptions of inflation and interest rates do not show a significant effect. Furthermore, investment decisions are not proven to mediate the relationship between macroeconomic perceptions and perceptions of economic growth. These findings indicate that safe-haven assets and perceptual bias are more dominant in shaping long-term investment decisions than objective macroeconomic indicators. This study contributes to the development of behavioral finance literature in developing countries and provides implications for the formulation of behavior-based investment literacy policies.*



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## Introduction

Post-pandemic global economic uncertainty is reflected not only in fluctuating macroeconomic indicators but also in how individuals perceive these economic conditions. Perceptions of inflation, interest rates, and gold prices often differ from officially reported objective conditions, and these differences have the potential to impact the quality of long-term investment decisions. In this context, investment decisions are shaped not solely by macroeconomic data but also by cognitive biases, subjective expectations, and individual risk preferences.

At the national level, Indonesia's economic conditions also show significant dynamics with changes in inflation rates, adjustments in Bank Indonesia's benchmark interest rates, and the increasing volatility of gold prices in recent years. These macroeconomic variables have become a major concern as they can influence the purchasing power of the population, market expectations, and preferences for specific

investment instruments. These changes ultimately impact the portfolio allocation strategies of Indonesian investors, especially regarding long-term investment decisions (Wicaksono & Rahmawati, 2025)

The main scientific problem in this research lies in the mismatch between objective macroeconomic indicators and investor perceptions, which can result in suboptimal investment behavior. When inflation or interest rates are perceived as higher than actual conditions, investors tend to delay investments or choose instruments that are not aligned with their long-term goals. This mismatch in perceptions leads to low investment decision efficiency and potentially hinders investment's contribution to long-term economic growth.

Various efforts have been made by the government, financial institutions, and regulators to improve the quality of investment decisions through financial education, digital literacy, and providing easier and more accessible investment opportunities. However, the results achieved have still not been fully optimal, as the quality of investment decisions remains highly varied, and many young investors continue to show tendencies to invest based on short-term perceptions and market sentiment.

Although various studies have examined the impact of inflation, interest rates, and gold prices on investment, most studies still focus on objective macroeconomic data at the aggregate level. Research explicitly examining individual perceptions as determinants of investment decisions, particularly in the Indonesian context and across generations of investors, remains very limited. Thus, there is a research gap regarding understanding the mechanisms of investment behavior based on macroeconomic perceptions in developing countries. The analysis by (Nworah et al., 2023) indicated that a decrease in interest and inflation rates corresponds with an upsurge in stock prices, while effective investment decisions during inflationary periods can avert potential investment losses (Nworah et al., 2023) This indicates a strong link between macroeconomic stability and investment attractiveness. For instance, during inflationary periods, real estate values and incomes are not static; instead, they respond dynamically to economic changes, creating favorable investment opportunities in real estate (Nworah et al., 2023)

To fill this gap, this study proposes a multivariate approach using Structural Equation Modeling-Partial Least Squares (SEM-PLS) to simultaneously analyze the impact of perceived inflation, interest rates, and gold prices on investment decisions. The novelty of this research lies in its focus on perceived inflation as a determinant of investment behavior, which has not been adequately explored across multiple generations in Indonesia. (Wicaksono & Rahmawati, 2025).

The PLS-SEM method is particularly well-suited for exploring these relationships due to its flexibility and predictive capabilities. As outlined by Dogra et al., PLS-SEM allows researchers to assess the direct and indirect effects of perceived inflation, interest rates, and gold prices on investment decisions. The capacity of PLS-SEM to handle complex models while also providing reliable estimations of model fit makes it an advantageous approach for such analyses (Gumasing et al., 2023)

The PLS-SEM approach offers valuable insights into the intricate relationships between perceived inflation, interest rates, and gold prices and their combined effects on investment decisions. Understanding these dynamics can greatly enhance investors' decision-making processes, allowing them to navigate economic uncertainties more effectively. The research suggests that vigilance regarding inflation and interest rates, along with a strategic consideration of gold prices, can significantly benefit investors in formulating robust investment strategies.

The novelty of this research lies in its behavioral finance approach, which positions perceptions of inflation, interest rates, and gold prices as key variables influencing investment decisions, rather than simply macroeconomic control variables. Furthermore, this research links perception-based investment decisions with perceptions of economic growth, thus broadening the discussion on the relationship between investor behavior and the quality of economic growth.

Theoretically, this research contributes to the development of behavioral finance and human capital literature by demonstrating that macroeconomic perceptions play a distinct role compared to objective indicators in shaping investment decisions. Practically, the results of this study have implications for the formulation of investment literacy policies that emphasize not only understanding macroeconomic data but also managing investor perception biases.

# LITERATURE REVIEW

## Inflation and Its Impact on Investment Behavior

Inflation is one of the most significant macroeconomic indicators affecting economic stability, purchasing power, and decision-making at both individual and institutional levels. Generally, inflation is defined as a sustained increase in the prices of goods and services within an economy. These price increases may arise from demand-side pressures (demand-pull inflation), cost-side pressures (cost-push inflation), or inflation expectations regarding future economic conditions. According to (Afin, 2023), inflation is not merely a price-level indicator but a strategic variable that broadly influences economic decision-making. In the ASEAN-5 region, inflation dynamics are closely linked to macroeconomic uncertainty, often resulting in a decline in the real value of assets and income.

However, existing research predominantly focuses on actual inflation rates, while the perceived inflation the subjective experience of inflation by individuals may have a greater impact on investment decisions. (Nworah et al., 2023) observe that perceived inflation, rather than actual inflation, significantly influences investment behavior, especially when investors perceive inflation to be higher than reality. This gap in the literature highlights the need to explore perceived inflation as a determinant of investment decisions, particularly in Indonesia.

The discourse surrounding inflation's effects is enriched by studies that identify thresholds at which inflation becomes particularly detrimental to investment outcomes. (Azam & Khan, 2022) demonstrate a significant negative association between inflation and economic growth beyond a certain threshold, suggesting that high inflation environments can stifle investment and economic expansion. Consequently, adhering to effective monetary policies that promote price stability emerges as a crucial strategy for encouraging investment.

Various empirical findings show inconsistent results regarding the influence of inflation on investment decisions. Some studies find a significant negative effect, while others indicate that investors able to adapt to inflation, rendering its impact insignificant. This discrepancy indicates that perceived inflation, rather than actual inflation, plays a significant role in shaping investment behavior, reinforcing the importance of a perception-based approach in this research.

## Interest Rates and Investment Decisions

Interest rates are a critical tool of monetary policy that directly affect economic activities such as consumption, savings, and investment. In the context of investment decision-making, interest rates serve as indicators of risk and alternative returns. When interest rates are high, investors tend to shift funds to safer instruments, such as deposits or bonds, reducing interest in long-term investments. (Fuddin, 2024) and (Gresi Lika, 2025) suggest that high interest rates can discourage long-term investment, as the cost of capital rises, while lower rates can encourage riskier investments in stocks and real estate.

Interest rate adjustments have diverse implications for investment behavior, as illustrated in a study by (Shibamoto et al., 2021). Their analysis revealed that while interest rate reductions are generally perceived as stimulative, they can lead to deteriorations in aggregate investment quality. This dynamic points to significant risks associated with overly accommodative monetary policies, where excessive liquidity can distort credit allocation and thus dampen effective investment.

The divergence in findings is reinforced by Reichel's investigation (Reichel, 2022), which revisits traditional views of Keynesian economics regarding investment and interest rates. While conventional theories assert a negative correlation, the empirical data emphasizes that this relationship is not always straightforward, with potential market inefficiencies playing a critical role in determining investment responses to interest rate changes.

Similarly, although interest rates theoretically influence the cost of capital, empirical evidence in developing countries suggests that investor preference for non-banking assets may weaken the role of interest rates in investment decision-making. This inconsistency in findings underscores the need to reexamine the relationship between interest rates and investment from a behavioral perspective.

## Gold as a Safe-Haven Aset

Gold is widely regarded as one of the safest assets during times of economic uncertainty. Its value remains relatively stable and resilient against inflationary pressures, making it a preferred hedge against inflation. According to (Ibrahim & Kumar, 2024), gold is often used as a tool for portfolio diversification and long-term value preservation, especially in volatile economic conditions.

While previous studies have discussed gold's role as a safe-haven asset, the dynamic relationship between gold prices and long-term investment decisions has not been fully examined. (Nworah et al., 2023) emphasize that during periods of high inflation or economic instability, investors tend to favor gold to preserve value.

The implications of gold price fluctuations are particularly evident in real estate and stock investments. (Yoewono, 2024) findings reveal a strong correlation between gold prices and residential property prices, indicating that fluctuations in gold prices may influence real estate investment decisions. This relationship suggests that investors monitor gold market trends as part of their broader strategic assessments in property investments.

On the stock market front, studies confirm that changes in gold prices can significantly impact stock market prices, as demonstrated by (Bidin et al., 2022). Their findings underscore its importance for investors to actively react to changes in gold prices when making investment decisions.

In contrast, the literature has consistently demonstrated gold's role as a safe-haven asset. However, most studies still position gold as a macroeconomic hedge, rather than as a driver of long-term, perception-based investment decisions. This study expands on this by positioning gold prices as a behavioral signal in investment decision-making.

## Investment Decisions and Economic Growth

Investment decisions play a crucial role in economic growth, as both public and private investments contribute to long-term national development. (Nguyen & Trinh, 2018) argue that investments in infrastructure, technology, and human capital are fundamental for fostering economic growth. However, (Maluleke, 2024) and (Ayeni, 2020) highlight that investment decisions are sensitive to macroeconomic variables, such as inflation and interest rates, which makes them vulnerable to changes in the economic environment.

Long-term investments, especially in productive sectors like infrastructure and technology, contribute significantly to economic growth. (Wulan, 2025) emphasize that gross fixed capital formation (GFCF) is a key contributor to long-term economic performance in ASEAN countries, including Indonesia. This underscores the importance of understanding how macroeconomic factors, such as inflation, interest rates, and gold prices, can mediate investment decisions, thereby influencing national economic growth.

## Hypothesis Development

Based on behavioral finance theory, investment decisions are influenced by bounded rationality, heuristics, and risk perception. Investors do not always respond objectively to economic indicators but rather based on subjective interpretations of available information. Therefore, perceptions of inflation, interest rates, and gold prices are predicted to shape expectations of risk and return, which ultimately influence investment decisions.

This study examines the relationships among three macroeconomic perception variables—inflation perception (X1), interest rates (X2), and gold prices (X3)—and their influence on investment decisions (Y1), as well as the effect of investment decisions on economic growth (Y2).

Perceived inflation reflects investors' subjective evaluation of price increases, which may influence their willingness to invest. When inflation is perceived as high, investors may become more cautious in allocating funds. Therefore, inflation perception is expected to influence investment decisions.

**H1: Inflation perception has a significant effect on investment decisions.**

Interest rates represent the cost of capital and an alternative return for investors. Changes in interest rates may affect investors' preferences between safe and risky assets, thereby influencing their investment decisions.

**H2: Interest rates have a significant effect on investment decisions.**

Gold is widely regarded as a safe-haven asset during periods of economic uncertainty. Fluctuations in gold prices may signal economic risk and influence investors to adjust their investment portfolios.

**H3: Gold prices have a significant effect on investment decisions.**

Investment decisions play an important role in supporting economic activities and long-term economic growth. Increased investment is expected to contribute to higher levels of economic growth.

**H4: Investment decisions have a significant effect on economic growth.**

# RESEARCH METHODS

The methodology of this research is designed to achieve the primary objectives, which include analyzing the effects of perceived inflation, interest rates, and gold prices on long-term investment decisions and economic growth across various age groups in Indonesia. The study adopts a quantitative research approach using Structural Equation Modeling-Partial Least Squares (SEM-PLS). This method is particularly appropriate as it allows for the simultaneous examination of complex relationships between the macroeconomic variables and investment decisions.

## Research Design

The research follows a cross-sectional design, where data is collected at a single point in time from a sample of 89 respondents, with ages ranging from 15 years old to 55 years old. These participants are actively engaged in investments and represent a broad sample of Indonesia's general investor base. By using this design, the study aims to capture the current state of investment decision-making in relation to perceived economic factors across various age groups. Economic growth in this study is measured based on respondents' perceptions of economic improvement, rather than objective macroeconomic indicators such as GDP growth.

## Data Collection

The data for this research is collected through self-administered online surveys, designed to measure the respondents' perceptions of inflation, interest rates, and gold prices, as well as their long-term investment decisions. The survey consists of structured questions with a Likert scale, ensuring that responses are quantifiable and suitable for statistical analysis.

## Sampling Technique

A purposive sampling technique is employed to select respondents who meet specific criteria: being aged 15 years or older, actively investing in at least one financial instrument, and residing in Indonesia. This technique ensures that the data collected is relevant to the research objectives, focusing on individuals with actual investment experience, regardless of age.

## Measurement Of Variable

In this study, economic growth is operationalized as a perception-based construct reflecting respondents' subjective assessments of economic improvement. Rather than relying on objective macroeconomic indicators such as GDP growth, this study captures perceived economic outcomes resulting from investment activities. This approach aligns with the behavioral and exploratory nature of the research.

## Analysis Method

The collected data is analyzed using SEM-PLS, which allows for the assessment of both direct and

indirect relationships between perceived inflation, interest rates, and gold prices on long-term investment decisions. SEM-PLS is selected for its ability to handle complex models with multiple dependent and independent variables and its suitability for predictive analysis in the context of behavioral finance research.

By utilizing SEM-PLS, the study can investigate the mediating role of investment decisions between macroeconomic factors and economic growth, offering valuable insights into how economic conditions influence investment behavior.

### Justification

A sample size of 89 respondents was deemed adequate for SEM-PLS analysis because this method is more prediction-oriented and tolerant of small to medium sample sizes, particularly in exploratory research. However, the limited sample size limits the generalizability of the findings, so the results should be interpreted as preliminary evidence and open the door to further research with a larger sample size.

## RESULT AND DISCUSSION

### Descriptive Statistics of Respondents

The questionnaire table presents descriptive statistics of respondents involved in this study. A total of 89 respondents participated, consisting of male and female investors from various age groups. The majority of respondents were in the productive age range of 15–55 years. With a total of 40 questions for each variable. Independent variables start from X1 - X24, and Dependent variables start from Y1 - Y16. In terms of investment type, most respondents invested in gold and stocks, indicating a preference for relatively safe and long-term investment instruments. These characteristics indicate that respondents are relevant and appropriate for analyzing long-term investment decision-making behavior.

### Measurement Model Evaluation (Outer Model)

The following are the results of the Measurement Model Evaluation data (Outer Model):

Table 1
Convergent Validity

| Indicator | Variable | Outer Loading |
|---|---|---|
| X2 | Inflation | 0.701 |
| X3 | Inflation | 0.571 |
| X5 | Inflation | 0.411 |
| X6 | Inflation | 0.527 |
| X7 | Inflation | 0.446 |
| X9 | Interest rate | 0.488 |
| X11 | Interest rate | 0.719 |
| X14 | Interest rate | 0.741 |
| X16 | Interest rate | 0.654 |
| X19 | Gold Prices | 0.488 |
| X21 | Gold Prices | 0.719 |
| X22 | Gold Prices | 0.741 |
| X23 | Gold Prices | 0.654 |
| Y5 | Investmen Decision | 0.738 |
| Y8 | Investmen Decision | 0.418 |
| Y12 | Economic Growth | 0.513 |
| Y16 | Economic Growth | 0.480 |

Source: 2025 data processing

Indicators with low and negative outer loading values were removed to improve the measurement model quality.

The outer loading values in Table 1 indicate that several indicators of perceptions of inflation, interest rates, and economic growth have relatively weak representation of the latent constructs. Theoretically, this finding indicates that investors' macroeconomic perceptions are heterogeneous and shaped by subjective experiences, in line with the behavioral finance perspective on the limitations of individual rationality. This condition also explains why the inflation and interest rate perception variables did not show a significant influence in the structural model.

Table 2
Discriminant Validity

| Variable | Gold Price | Inflation | Investment Decision | Economic Growth | Interest Rates |
|---|---|---|---|---|---|
| Gold Price | - | - | - | - | - |
| Inflation | 0.477 | - | - | - | - |
| Investment Decision | 1.800 | 1.204 | - | - | - |
| Economic Growth | 0.378 | 0.784 | 1.110 | - | - |
| Interest Rates | 0.983 | 0.600 | 1.517 | 0.530 | - |

Source: 2025 data processing

Discriminant validity was assessed using the Heterotrait–Monotrait Ratio (HTMT) criterion, as presented in Table 2. The results show that several construct pairs exhibit HTMT values below the recommended threshold of 0.90, indicating acceptable discriminant validity. Specifically, the relationships between inflation and gold price, inflation and economic growth, and interest rate and economic growth meet the discriminant validity criterion.

However, some construct pairs demonstrate HTMT values exceeding 0.90, particularly the relationships involving investment decision with gold price, inflation, economic growth, and interest rate. These results suggest a considerable degree of conceptual overlap among the constructs. Despite this limitation, the model is retained for further analysis considering the exploratory nature of the study and the theoretical interrelatedness of macroeconomic perceptions and investment behavior.

The discriminant validity test results in Table 2 show a high HTMT value between investment decisions and macroeconomic perception variables, indicating conceptual overlap between the constructs. Theoretically, this finding reflects that investors tend to view macroeconomic conditions and investment decisions as a single consideration, rather than as separate concepts. This condition strengthens the behavioral finance approach and explains why some causal relationships in the structural model do not show strong significance.

Table 3
Reliability And Validity

| Variable | Cronbach's Alpha | Composite Reliability (ρa) | Composite Reliability (ρc) | AVE |
|---|---|---|---|---|
| Gold Price | 0.598 | 0.666 | 0.770 | 0.474 |
| Inflation | 0.519 | -0.114 | 0.314 | 0.208 |
| Investment Decision | 0.116 | 0.275 | 0.619 | 0.515 |
| Economic Growth | 0.377 | 0.383 | 0.761 | 0.615 |
| Interest Rates | 0.508 | 0.469 | 0.704 | 0.382 |

Source: 2025 data processing

The reliability and convergent validity of the measurement model were assessed using Cronbach's

Alpha, Composite Reliability, and Average Variance Extracted (AVE), as presented in Table 3. The results indicate that several constructs exhibit composite reliability values approaching or exceeding the recommended threshold of 0.70, particularly gold price, economic growth, and interest rate. Additionally, the AVE values for investment decision and economic growth exceed 0.50, indicating acceptable convergent validity for these constructs. However, other constructs, such as inflation and interest rate, demonstrate lower reliability and AVE values. This suggests that the measurement items for these constructs may not fully capture the underlying latent variables. Despite these limitations, the model is retained for further analysis considering the exploratory nature of the study and the theoretical relevance of the constructs examined.

The results in Table 3 show that several constructs, particularly perceptions of inflation and interest rates, have relatively low levels of reliability and AVE values. Theoretically, this finding indicates that macroeconomic perceptions are not consistently formed at the individual level, making these constructs less stable in explaining investment behavior. This condition provides a theoretical basis for why the influence of perceptions of inflation and interest rates on investment decisions does not appear significant in the structural model.

## Structural Model Evaluation (Inner Model)

After confirming the adequacy of the measurement model, the next step is to evaluate the structural model (inner model). The structural model assessment aims to examine the hypothesized relationships among latent variables and to evaluate the explanatory power of the model. This evaluation focuses on the coefficient of determination ($R^2$) and hypothesis testing using path coefficients, t-statistics, and p-values obtained through bootstrapping procedures. The following are the results of the Structural Model Evaluation data (Inner Model):

## Path Diagram (Structural Model)

The structural relationships among the constructs are illustrated in the path diagram presented in Figure 1.

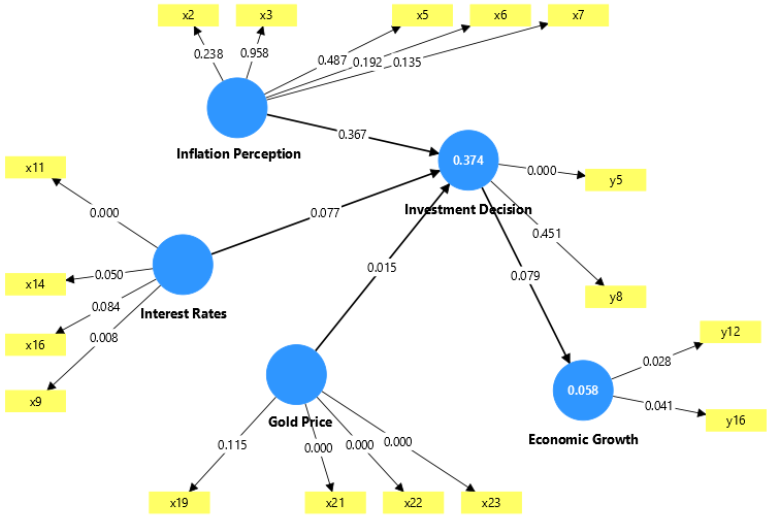


**Figure 1. Path Diagram (Structural Model)**

Source: 2025 data processing

Figure 1 illustrates the structural model after the refinement of the measurement model, where several indicators with low loading values were removed. The diagram shows the relationships among inflation perception, interest rates, gold prices, investment decisions, and economic growth. The model indicates that gold price has a significant effect on investment decisions, while inflation perception and interest rates do not show significant effects. In addition, investment decisions do not significantly influence economic growth. The $R^2$ values suggest a modest explanatory power for investment decisions

and a weak explanatory power for economic growth.

Table 4
Coefficient And Determination ($R^2$)

| **Endogeneous Variable** | $R^2$ | $R^2$ Adjusted |
|---|---|---|
| Investment Decision | 0.374 | 0.343 |
| Economic Growth | 0.058 | 0.043 |

Source: 2025 data processing

The coefficient of determination ($R^2$) was used to evaluate the explanatory power of the structural model. As shown in Table 4, inflation, interest rates, and gold prices explain 37.4% of the variance in investment decisions, indicating a modest explanatory power. Meanwhile, investment decisions account for only 5.8% of the variance in economic growth, suggesting a weak explanatory capability. The adjusted $R^2$ values further confirm that a substantial proportion of the variance in economic growth is influenced by factors outside the proposed model.

The $R^2$ values in Table 4 indicate that perceptions of inflation, interest rates, and gold prices have moderate explanatory power for investment decisions, but are very weak in explaining economic growth. Theoretically, this finding confirms that individual investment decisions represent only a small part of the mechanism shaping economic growth. This supports the view that economic growth is influenced by broader structural and macroeconomic factors, making the insignificant relationships in the structural model understandable.

Table 5
Hypothesis Testing (Direct Effect)

| **Path** | Original Sample (β) | T-Statistics | P-value | Decision |
|---|---|---|---|---|
| Gold Price → Investment Decision | 0.305 | 2.427 | 0.015 | Accepted |
| Inflation → Investment Decision | 0.287 | 0.903 | 0.367 | Rejected |
| Interest Rates → Investment Decision | 0.253 | 1.767 | 0.077 | Rejected |
| Investment Decision → Economic Growth | 0.241 | 1.760 | 0.079 | Rejected |

Source: 2025 data processing

Hypothesis testing was conducted to examine the direct effects among the constructs using bootstrapping procedures. As presented in Table 5, the results indicate that gold price has a positive and statistically significant effect on investment decisions, as evidenced by a T-statistic value greater than 1.96 and a p-value below 0.05. This finding suggests that changes in gold prices play an important role in shaping investment decisions.

In contrast, inflation and interest rates do not exhibit a statistically significant effect on investment decisions, as their p-values exceed the 0.05 threshold. Furthermore, investment decision does not show a significant direct effect on economic growth. These results indicate that the direct relationships proposed in the model are only partially supported, highlighting the limited explanatory power of the structural model.

The results of the hypothesis testing in Table 5 indicate that only gold prices significantly influence investment decisions, while perceptions of inflation and interest rates do not show a significant direct effect. Theoretically, this finding confirms that investors are more responsive to assets with safe-haven

characteristics than to abstract macroeconomic indicators. The insignificant effects of inflation and interest rates indicate that long-term investment decisions are more influenced by perceptions of value stability than by expectations of monetary conditions. Furthermore, the insignificant effect of investment decisions on economic growth demonstrates the limited role of individual investment behavior in explaining aggregate economic growth dynamics.

Table 6
Specific Indirect Effects (Mediation Analysis)

| **Indirect Path** | Original Sample (β) | T-Statistics | P-value | Decision |
|---|---|---|---|---|
| Gold Price → Investment Decision → Economic Growth | 0.074 | 1.294 | 0.196 | Not Significant |
| Inflation → Investment Decision → Economic Growth | 0.069 | 0.729 | 0.466 | Not Significant |
| Interest Rates → Investment Decision → Economic Growth | 0.061 | 1.131 | 0.258 | Not Significant |

Source: 2025 data processing

The mediating effect of investment decision was examined by analyzing the indirect effects of gold price, inflation, and interest rate on economic growth. As presented in Table 6, none of the indirect paths demonstrate statistically significant effects, as all p-values exceed the 0.05 threshold. This indicates that investment decision does not significantly mediate the relationship between macroeconomic variables and economic growth.

The results of the mediation analysis in Table 6 indicate that investment decisions do not mediate the relationship between perceptions of inflation, interest rates, and gold prices on economic growth. Theoretically, this finding indicates that the influence of macroeconomic perceptions on economic growth does not operate through the mechanism of individual investment behavior. This reinforces the view that economic growth is more determined by structural factors and macroeconomic policies than the accumulation of individual investment decisions. Therefore, the insignificant mediation effect is reasonable within the framework of macroeconomic theory and behavioral finance.

# DISCUSSION

This study aims to examine the influence of inflation, interest rates, and gold prices on investment decisions and economic growth, with investment decisions acting as a mediating variable. Using the SEM-PLS approach, the findings provide empirical insights into how macroeconomic perceptions shape individual investment behavior and their broader economic implications. Overall, the results indicate that gold prices significantly influence investment decisions, while inflation and interest rates do not show significant direct effects. Furthermore, investment decisions neither significantly affect economic growth nor mediate the relationship between macroeconomic variables and economic growth.

The significant effect of gold prices on investment decisions suggests that gold remains a preferred safe-haven asset among investors. During periods of economic uncertainty, investors tend to allocate funds to assets perceived as stable and value-preserving. This finding supports prior studies that highlight gold's role as a hedge against economic volatility and inflationary pressures.

The absence of a significant relationship between inflation and investment decisions may indicate that investors are relatively adaptive to inflationary conditions. Rather than responding directly to inflation

perceptions, investors may focus more on expected returns and asset security. This finding suggests that inflation is not the primary determinant of investment decisions in the context of this study.

The results also show that interest rates do not significantly influence investment decisions. This may be attributed to the growing preference for non-bank investment instruments, such as gold and other assets, where interest rate changes play a less dominant role. Consequently, investors may not view interest rates as a critical factor when making long-term investment decisions.

The insignificant influence of inflation and interest rate perceptions suggests that investors do not directly translate macroeconomic pressures into long-term investment decisions. This finding bolsters the behavioral finance argument that investors are more responsive to assets that symbolize safety and stability, such as gold, than to abstract macroeconomic indicators. Thus, these results challenge the assumption of complete rationality in classical financial theory.

The mediation analysis indicates that investment decisions do not significantly mediate the relationship between macroeconomic variables and economic growth. This suggests that changes in inflation, interest rates, and gold prices do not indirectly affect economic growth through individual investment decisions. The weak mediation effect may be explained by the limited explanatory power of the model and the presence of other macroeconomic factors influencing economic growth beyond individual investment behavior.

From a practical perspective, the findings imply that investors tend to prioritize asset stability over macroeconomic indicators when making investment decisions. Policymakers and financial educators may therefore focus on improving investor awareness of macroeconomic conditions to enhance investment quality.

This study has several limitations. First, the measurement quality of some constructs is relatively low, which may affect the strength of the findings. Second, the explanatory power of the model is limited, indicating that other factors not included in the model may play a significant role. Future studies are encouraged to refine measurement instruments and incorporate additional variables to improve model robustness.

The relatively low reliability values and limited explanatory power of the model indicate that the findings should be interpreted as preliminary evidence. These limitations are common in perception-based behavioral studies and provide opportunities for future research refinement. Therefore, economic growth in this study reflects perceived economic outcomes at the individual level rather than national macroeconomic performance.

# CONCLUSION

This study confirms that long-term investment decisions in Indonesia are more influenced by perceptions of safe-haven assets than by perceptions of inflation and interest rates. Theoretically, this finding strengthens the behavioral finance approach by demonstrating that macroeconomic perceptions do not always function as rational determinants in investment decision-making. Practically, this study's results imply the importance of investment literacy policies that emphasize managing perceptual biases and understanding long-term risks. Future research is recommended to integrate other psychological variables such as risk tolerance and financial literacy and use objective economic growth indicators to strengthen the model's external validity.

This study adopts an exploratory approach to provide preliminary empirical insights into investment behavior.

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