

## **ABSTRACT**

*Increased economic growth in an area is the result of several factors, one of which is increased investment activity in that area. The development of investment activity in Sukabumi City in 2021 saw an increase in the number of new investors by 270% with a total of 33,615 SID (Single Investor Identification) from the end of 2020 of only 9,136 SID based on the results of the publication of the Financial Services Authority (OJK). This is supported by an increase in the financial literacy index from 2013 which was 21.8% to 2022 which reached 49.68%. The choice of the type of investor in investing can also be influenced by tolerance for risk, which is commonly referred to as risk tolerance. An investor's decision in making investment decisions can also be influenced by psychological factors, one of which is overconfidence.*

*This study aims to determine the effect of financial literacy, risk tolerance, and overconfidence on investment decisions in the people of Sukabumi City who have invested in the capital market. In this study, quantitative methods will be used to collect data through questionnaires with a sample determination using purposive sampling of 400 respondents from the people of Sukabumi City who have invested in the capital market.*

*The results showed that partially the variables Financial Literacy, Risk Tolerance, and Overconfidence have a significant effect on Investment Decisions in the people of Sukabumi City, and Financial Literacy, Risk Tolerance, and Overconfidence has a significant simultaneous effect on Investment Decisions in the people of Sukabumi City.*

**Keywords:** *financial literacy, risk tolerance, overconfidence, investment decisions, the people of Sukabumi City.*