World Journal of Advanced Research and Reviews
eISSN: 2581-9615 CODEN (USA): WJARAI
Cross Ref DOI: 10.30574/wjarr
Journal homepage: https://wjarr.com/

(RESEARCH ARTICLE)

The Impact of Behavioral Finance on Investment Decisions in Mindoro State University Employees Multi-Purpose Cooperative Members

Tricia Jane A. Hernandez *, Allen D. Rivano, Freshia Angela E. Agelion and Marife Lopez

School of Business, Hospitality and Tourism Management, Divine Word College of Calapan, Oriental Mindoro Philippines.

World Journal of Advanced Research and Reviews, 2026, 29(02), 1154-1168

Publication history: Received on 10 January 2026; revised on 18 February 2026; accepted on 21 February 2026

Article DOI: https://doi.org/10.30574/wjarr.2026.29.2.0413

Abstract

This study examined the impact of behavioral finance on the investment decisions of members of the Mindoro State University Employees Multi-Purpose Cooperative (MinSUEMPCo), with emphasis on confirmation bias and conservatism bias. A quantitative research design was employed, involving all 80 cooperative members as respondents, using a structured questionnaire analyzed through descriptive statistics and Pearson correlation. Results showed that both confirmation bias and conservatism bias were present at high levels among members. However, confirmation bias had no significant relationship with investment decisions due to the passive and stable investment behavior of members. In contrast, conservatism bias exhibited a significant positive relationship with investment decisions, indicating a strong reliance on past experiences and preference for stability. Investment decision-making was found to be moderate, with limited knowledge of various investment products but high confidence and profit orientation. Based on these findings, a Behavioral Finance Empowerment Program was proposed as the study's output. The program aims to enhance financial literacy, reduce behavioral biases, and promote more rational and adaptable investment decision-making among cooperative members.

Keywords: Behavioral Finance; Confirmation Bias; Conservatism Bias; Investment Decisions; Cooperative Members; MinSUEMPCo

1. Introduction

Behavioral finance has gained global relevance as scholars continue to discover how psychological tendencies influence financial decision-making. Studies across different countries show that individuals do not always act rationally because emotions, personal beliefs, and biases affect how they interpret financial information [1]. Two common cognitive biases—confirmation bias and conservatism bias—shape the way investors process data, assess risks, and choose investment options [2]. These biases explain why many investors rely more on familiar information rather than objective evidence, resulting in decisions that may not maximize financial returns [3]. Understanding these principles provides the foundation for examining how behavioral finance affects investment behavior in cooperative settings.

At the national level, the Philippines continues to develop programs that strengthen financial literacy and promote sound investment behavior across communities [4]. However, research shows that Filipino investors are still influenced by personal beliefs and cognitive tendencies when making financial decisions [5]. Confirmation bias appears when individuals prefer information that supports their existing views, while conservatism bias occurs when they cling to past knowledge even when new, relevant information is available [6]. These tendencies influence how Filipino workers evaluate investment risks and opportunities, particularly in collective financial institutions such as cooperatives [7]. Recognizing these national trends helps situate the behavioral patterns of local cooperative members within a broader Philippine context.

* Corresponding author: Tricia Jane A. Hernandez

In the local setting, cooperatives in Mindoro and neighboring areas play a crucial role in promoting financial inclusion by offering savings, loans, and investment opportunities to their communities [8]. These cooperatives operate under democratic principles in which members collectively own and manage the institution, following the one-member-one-vote concept. Despite access to financial programs, many members still exhibit limited participation in investment activities, partly due to psychological biases affecting their decision-making [9]. Local studies have shown that cooperative members often follow familiar beliefs or rely heavily on past experiences, reflecting confirmation and conservatism biases [4]. This local context underscores the importance of examining how behavioral finance specifically shapes investment preferences among cooperative members.

The Mindoro State University Employees Multi-Purpose Cooperative (MinSUEMPCo) serves as a significant financial institution for both teaching and non-teaching employees, having evolved from its early establishment in 1997 as a credit cooperative. Over time, MinSUEMPCo expanded its membership and capital structure, eventually reaching an authorized capital exceeding ₱72 million, showing substantial institutional growth. The cooperative offers investment avenues such as share capital, savings deposits, time deposits, and profit-sharing from its merchandise store and copy center. According to MinSUEMPCo, membership requires individuals to complete an application, attend orientation, purchase the minimum required share capital, and commit to cooperative policies. These features highlight the cooperative's role in shaping members' financial habits, including their investment behavior.

This study is significant because it investigates how behavioral biases influence the investment decisions of MinSUEMPCo members, an area not widely explored in cooperative-based financial research. Understanding these biases can help cooperative leaders design better financial education programs that encourage members to make informed and rational investment choices. The findings also benefited MinSUEMPCo by identifying factors that may limit members' participation in financial programs such as share capital growth and savings expansion. Furthermore, the study can guide policymakers, financial educators, and future researchers in developing interventions that reduce the negative effects of behavioral biases. Ultimately, this study aims to strengthen investment decision-making within the cooperative by promoting awareness of behavioral finance principles.

This study is aligned with Sustainable Development Goal 8, which focuses on promoting decent work and sustained economic growth. The research examines how behavioral finance affects the investment decisions of MinSUEMPCo members and shows its importance in improving financial decision-making that supports stable income and long-term economic security. Sound investment decisions within cooperatives help members grow their savings, handle financial risks, and take part more actively in economic activities. Improved financial behavior among cooperative members also contributes to the sustainability and continued growth of cooperative institutions that are important to local economic development. In this way, understanding behavioral biases in investment decisions supports the goals of SDG 8 and helps build financially resilient individuals and stronger community-based economic systems.

1.1. Statement of the Problem

This research aims to determine the impact of behavioral finance on investment decisions among the members of Mindoro State University Employees Multi-Purpose Cooperative (MinSUEMPCo). Specifically, the study sought answers to the following questions:

- What is the level of Behavioral Biases among the members of MinSUEMPCo as characterized by;
    - Confirmation Bias; and
    - Conservatism Bias
- What is the status of the members of MinSUEMPCo's investment decisions?
- Is there a relationship between Behavioral Biases and investment decision among the members of MinSUEMPCo?
- Based on the findings, what financial literacy program or intervention can be proposed to mitigate the impact of behavioral biases on investment decision making?

2. Review of Related Literature

2.1. Behavioral Finance

Behavioral finance explains how psychological factors influence financial decisions, showing that investors do not always behave rationally because emotions and cognitive shortcuts distort their judgment. This field integrates principles of psychology into traditional economic theories to explain why investors may disregard objective information when making financial choices [1]. According to George [10], behavioral finance highlights that biases and

heuristics guide how individuals process financial data, especially when faced with uncertainty. These biases shape the way investors evaluate risks, interpret market signals, and respond to investment opportunities. Behavioral finance also helps explain why investors often rely on intuition rather than detailed analysis when selecting financial products [11].

The presence of behavioral tendencies such as confirmation bias and conservatism bias indicates that financial decision-making is systematically shaped by investors' prior beliefts and past experiences rather than by the objective evaluation of newly available information [12]. From a behavioral finance perspective, these biases represent measurable psychological constructs that influence how individuals process information, assess risk, and form investment judgments. The studies of Sharma & Prajapati [2], demonstrate that such biases exhibit statistically significant relationship with investor behavior, producing consistent and predictable decision patterns, particularly in contexts with varying levels of financial literacy. In cooperative financial settings the strength of confirmation and conservatism biases can be quantitatively linked to members risk tolerance, program evaluation, and willingness to adjust investment levels. Consequently, measuring the relationship these behavioral biases and financial decision outcomes provides critical insights into how behavioral finance factors explain deviations from rational investment behavior.

Behavioral finance literature establishes that financial decision-making is shaped by psychological and emotional factors rather than pure rationality. This perspective supports the study's focus on understanding how MinSUEMPCo members make investment choices beyond traditional economic assumptions. Prior studies explain that investors often depend on intuition, habits, and cognitive shortcuts when interpreting financial information. Such explanations are useful in analyzing how cooperative members perceive risks and opportunities within their investment environment. The reviewed literature strengthens the rationale for examining behavioral finance as a central framework in analyzing investment decisions of MinSUEMPCo members.

2.2. Confirmation Bias

Confirmation bias refers to the tendency of individuals to actively seek and rely on information that supports their existing beliefs while disregarding evidence that contradicts them [12]. In investment decision-making, this bias causes investors to process financial information selectively, reinforcing choices they have already made even when new and relevant data is available [13]. As a result, investors often give greater weight to familiar opinions or sources that align with their expectations. Villanova [14] emphasized that confirmation bias fosters overconfidence, as individuals become excessively reliant on their initial judgments despite the presence of financial risks. Consequently, this behavior affects how investment opportunities are assessed, leading investors to prioritize belief-consistent information over objective evaluation.

Empirical research shows that confirmation bias significantly limits an investor's ability to adjust when market conditions change, resulting in a rigid and inflexible approach to financial decision-making [11]. When investors consistently avoid information that challenges their views, they become less responsive to alternative strategies or corrective market signals. This resistance to new information weakens their capacity to reassess risk and return objectively. Villanova [14] noted that such behavior reduces investors' openness to new investment programs or growth opportunities offered by cooperatives. Over time, confirmation bias can hinder financial growth by preventing informed participation in evolving cooperative investment options.

Confirmation bias in investing refers to the tendency of investors to seek, interpret, and remember information that supports their existing beliefs while disregarding contradictory evidence [12, 13]. This bias affects investment decision-making as investors often focus on favorable news related to their chosen investments and ignore negative or opposing information [12]. Agarwal [6] further emphasizes that such selective information processing can lead to poor judgment and unbalanced investment decisions. Understanding confirmation bias is important because it influences how investors evaluate risks and opportunities in the market. These concepts were used to support the formulation of the study's questions in assessing the presence and impact of confirmation bias on investors' decision-making.

Existing studies on confirmation bias explain how individuals tend to favor information that supports their prior beliefs while disregarding contradictory evidence. This concept aligns with the study's objective of examining how MinSUEMPCo members evaluate financial information and investment programs. Research suggests that this bias can influence how investors interpret risks and remain confident in earlier decisions. In cooperative settings, such tendencies may affect members' openness to new investment options or policy changes. The literature validates the inclusion of confirmation bias as an important behavioral factor in assessing cooperative investment behavior.

2.3. Conservatism Bias

Conservatism bias occurs when individuals continue to rely on outdated information or long-held beliefs even after new and relevant data becomes available [6]. This bias reflects a cognitive resistance to change, where investors are slow to revise their expectations despite shifts in market conditions. Caplan [15] explained that conservatism bias delays decision-making because investors hesitate to update their judgments based on current financial information. De Sousa Barbosa et al. [16] further noted that individuals affected by this bias tend to favor stability and familiarity over exploring new investment opportunities. As a consequence, investors may miss favorable market movements or improved returns because they remain committed to previously chosen strategies.

Wells [17] emphasized that conservatism bias often leads investors to underreact to new information, resulting in delayed adjustments to their investment portfolios. This slow response weakens an investor's ability to align decisions with changing economic and market conditions. De Sousa Barbosa et al. [16] also observed that individuals influenced by conservatism bias become overly attached to past outcomes, assuming that historical performance will persist in the future. In cooperative settings, this tendency may reduce members' willingness to revise share capital contributions or participate in newly introduced investment programs. Polizzi [9] highlighted that such resistance to change limits cooperative growth, as stagnant financial decisions prevent the organization from fully leveraging emerging opportunities.

Conservatism bias is a tendency of investors to rely heavily on past information, initial impressions, or outdated forecasts despite the availability of new and relevant data [6]. This bias reflects inflexibility in decision-making, where investors are less willing to update their beliefs even when market conditions change [16]. Studies further explain that conservatism bias is closely related to anchoring, as investors cling to their first opinions and treat them as more important than subsequent information [15]. As a result, investors may ignore or undervalue fresh facts that contradict their existing knowledge, leading to suboptimal investment decisions [6]. These ideas were used to support the development of the study's questions in examining how conservatism bias influences investors' responses to new information.

Literature on conservatism bias describes a consistent pattern in which investors rely heavily on past experiences and delay adjusting decisions despite updated information. This idea is relevant to the study because cooperative members often demonstrate a preference for stability and familiar investment practices. Previous findings show that conservatism bias can limit responsiveness to new financial opportunities and changing conditions. In the context of MinSUEMPCo, this behavior may influence decisions related to maintaining or modifying investment contributions. The reviewed studies support the examination of conservatism bias as a meaningful determinant of investment decisions among cooperative members.

2.4. Investment Decisions

Investment decisions involve allocating funds into financial ventures with the expectation of generating future returns [18]. This process requires individuals to analyze risks, assess opportunities, and determine whether the investment aligns with their financial goals [19]. Aristiwati and Hidayatullah [20] noted that investment decisions rely on a person's ability to evaluate financial information and personal capacity. According to Humairo et al., as cited in Prayudi & Purwanto [1], investment decisions are guided by four key indicators: possessing knowledge about stock and investments, having a clear goal for an investment, prioritizing investment profit from selected investment products, and having knowledge about fluctuations in the capital market. These indicators demonstrate that investment decisions depend not only on financial capacity but also on awareness, literacy, and clarity of objectives regarding investment behavior.

Investor behavior is heavily influenced by psychological biases and financial literacy, shaping the quality of their investment decisions [21]. When confirmation bias is present, investors may refuse new information that could improve their decisions, limiting their willingness to explore better financial options [12]. Conservatism bias further restricts decision-making by causing investors to maintain outdated investment patterns even when the cooperative introduces improved programs [15]. Bhandari and Nunes [22] explained that these behavioral tendencies weaken rational financial planning because individuals rely more on emotions than evaluation. Therefore, understanding investment decisions in MinSUEMPCo members requires analyzing how these biases shape the behavior of its members.

Investment knowledge, including understanding investment theories and market behavior, is essential for making sound investment decisions [23]. Studies also highlight the importance of having clear and realistic investment goals, as goal-setting guides investors in choosing appropriate strategies and sustaining commitment over time as stated by Humairo et al., as cited in Prayudi & Purwanto [1]; Thim [24]. Furthermore, prioritizing investment profit and having

awareness of capital market fluctuations are identified as key factors influencing investor decision-making [1]. External factors such as government regulations, interest rates, and market developments also play a significant role in shaping investment choices [21]. These concepts, together with the understanding of risk perception in controlling investor confidence, were used to support and justify the questions included in the study's questionnaire [25].

Investment decisions emphasize the process of allocating resources based on goals, knowledge, and risk evaluation. These discussions are consistent with the study's assessment of investment decision indicators among MinSUEMPCo members. Research highlights that investment behavior is influenced by both financial understanding and psychological tendencies. This combination explains variations in how individuals plan, prioritize, and manage their investments. The reviewed literature provides a solid basis for analyzing investment decisions within the cooperative using a behavioral finance perspective.

The reviewed literature shows that investment decisions are influenced by psychological factors, emotions, and cognitive shortcuts rather than purely rational analysis, as explained by behavioral finance. Studies consistently identify confirmation bias and conservatism bias as key tendencies that shape how investors process information, rely on past experiences, and respond to new investment opportunities. In cooperative settings, these biases affect how members interpret financial programs, assess risks, and decide whether to adjust their investments. Research on investment decisions further emphasizes that knowledge, clear goals, profit orientation, and awareness of market conditions interact with behavioral biases in shaping financial choices. Taken together, the literature supports the use of a behavioral finance framework to examine how confirmation bias and conservatism bias influence the investment decisions of MinSUEMPCo members.

2.5. Theoretical Framework

2.5.1. Cognitive Dissonance Theory

Cognitive Dissonance Theory, introduced by Leon Festinger in 1957, explains the mental discomfort individuals feel when their beliefs, attitudes, or behaviors contradict one another. According to Festinger, this inconsistency creates psychological distress, which pushes individuals to reduce the tension by adjusting their thoughts or actions. People naturally seek harmony between what they believe and what they do, influencing decision-making in many areas, including financial behavior. When faced with information that challenges their beliefs, individuals often reduce the discomfort by engaging in confirmation bias, favoring information that supports their existing views. In investment decisions, this results in investors ignoring negative information about their assets and focusing only on positive cues to maintain consistency and lessen cognitive dissonance.

Cognitive Dissonance Theory is relevant to the study because it explains why MinSUEMPCo members may experience discomfort when new financial information conflicts with their existing investment beliefs. This theory helps clarify how investors attempt to maintain consistency between their beliefs and actions by favoring information that supports prior decisions. Such behavior is closely linked to confirmation bias, which is one of the key variables examined in the study. In cooperative investment settings, this tendency may influence how members respond to financial advice, risk warnings, or new investment programs. The theory provides a useful explanation for why some members may resist changing their investment decisions despite the availability of new and relevant information.

2.5.2. Prospect Theory

Prospect Theory, developed by Amos Tversky and Daniel Kahneman in 1979 and refined in 1992, explains how individuals make choices under uncertainty by emphasizing psychological influences rather than pure rationality. The theory states that people are generally risk-averse when dealing with potential losses but become risk-seeking when dealing with potential gains. Unlike Modern Portfolio Theory, which focuses on maximizing final wealth, Prospect Theory highlights how individuals evaluate decisions based on perceived gains and losses relative to a reference point. Kahneman and Tversky argue that emotions strongly shape investment behavior, causing joy when investments increase in value and distress when they decrease. Because of this, investors often make subjective decisions influenced by how they emotionally perceive risk, rather than by objective financial analysis. Prospect Theory is relevant to the study because it explains how MinSUEMPCo members make investment decisions under conditions of uncertainty and risk. The theory highlights that investors evaluate choices based on perceived gains and losses rather than objective outcomes, which influences their risk-taking behavior. This perspective helps explain why cooperative members may prefer stable and familiar investment options over potentially higher but uncertain returns. Emotional responses to gains and losses can reinforce conservatism bias, leading members to rely on past experiences when making decisions. As a result, Prospect Theory supports the study's analysis of how psychological factors shape investment decisions within the cooperative context.

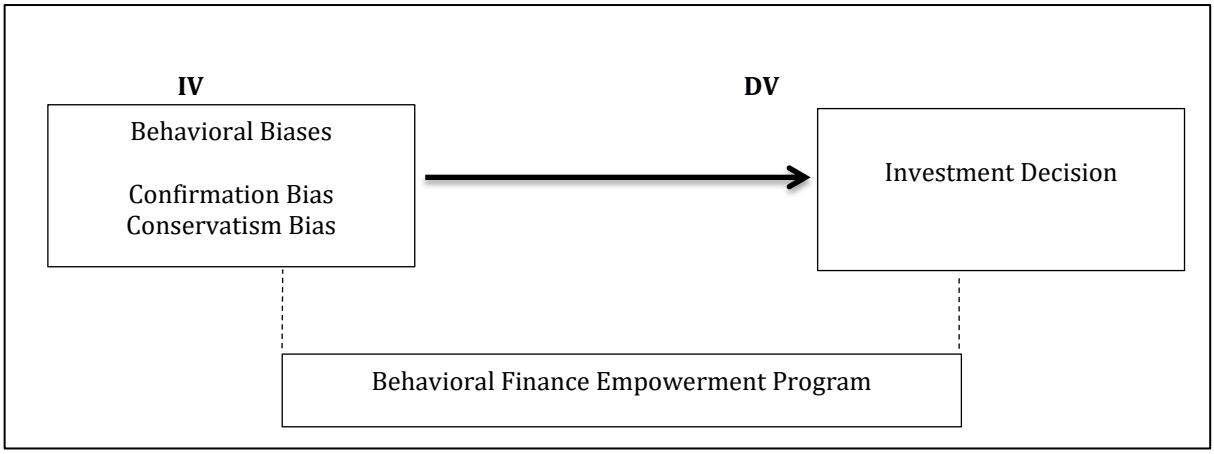

Figure 1 Conceptual Framework

The conceptual framework of this study is anchored on an IV–DV (Independent Variable–Dependent Variable) model that explains the relationship between behavioral finance and investment decisions. Behavioral finance serves as the independent variable, represented by confirmation bias and conservatism bias, while investment decisions function as the dependent variable, with the framework also proposing a Behavioral Finance Empowerment Program as the study's output. This framework is based on the study of Shunmugasundaram and Sinha [11], which examined how behavioral biases such as confirmation and conservatism influence investment decisions. Their findings support the idea that these cognitive biases distort rational financial evaluation and affect how investors respond to information. Through the use of this model in cooperative investment settings, the framework explains how and why behavioral biases play an important role in shaping real-world investment decision-making.

2.6. Hypothesis of the Study

H0: Behavioral finance has no significant effect on investment decisions of Mindoro State University Employees Multi-Purpose Cooperative Members.

3. Methodology

3.1. Research Design

This study employed a quantitative research design to examine the impact of behavioral finance on the investment decisions of MinSUEMPCo members. Quantitative research was used to systematically measure behavioral biases and investment decision indicators through numerical data. Descriptive statistics, including means and standard deviations, were used to answer the first and second statements of the problem, determining the influence of behavioral finance in terms of confirmation bias and conservatism bias, as well as assessing respondents' investment behaviors. Inferential statistics, through correlation and regression analyses, were applied to answer the third statement of the problem, examining whether a significant relationship exists between behavioral finance and investment decisions and identifying which biases significantly influenced investment choices. Overall, the combined use of descriptive and inferential methods systematically addressed all aspects of the Statement of the Problem, ensuring that each analytical method directly supported the research objectives and hypotheses.

3.2. Subject and Sampling

The respondents of the study consisted of all members of the Mindoro State University Employees Multi-Purpose Cooperative (MinSUEMPCo), with a total population of 80 members. Since the population size was manageable, a total population sampling method was employed, wherein 100% of the population served as the study's respondents. This method ensured complete representation of cooperative members and eliminated sampling bias. The total population sampling method strengthened the reliability of the findings because every member's investment behavior was considered. This approach was appropriate for accurately reflecting the collective investment decision-making patterns within MinSUEMPCo.

Data were collected using a structured questionnaire consisting of items measuring confirmation bias, conservatism bias, and investment decisions, aligned with the Statement of the Problem. The questionnaire used a four-point Likert scale to quantify the respondents' level of agreement with each statement. Prior to data collection, permission was secured from the cooperative management, and respondents were informed of the purpose of the study. The collected data were analyzed using weighted mean to determine the level of behavioral biases and investment decisions, and Pearson correlation coefficient (r) to examine the relationship between the variables. The coefficient of determination (r^2) was also computed to identify the proportion of variance in investment decisions explained by behavioral finance variables.

4. Results and discussion

The study tested two independent variables and one dependent variable, namely confirmation bias and conservatism bias as the independent variables, and investment decision as the dependent variable. The researcher employed the split-half reliability method to assess the reliability of the questionnaire, wherein the responses of 50 respondents were divided into odd-numbered and even-numbered items. Pearson's r was used to determine the correlation between the two halves of the instrument. The results of the reliability test showed coefficient values per item ranging from 0.44 to 0.67, which indicates a high level of internal consistency. Based on these results, the research instrument was interpreted and declared reliable for use in the study.

Table 1 Coefficient ranges of Pearson Correlation Coefficient and its Reliability Level

Pearson Correlation Coefficient	Strength	Direction
Greater than .5	Strong	Positive
Between .3 and .5	Moderate	Positive
Between 0 and .3	Weak	Positive
0	None	None
Between 0 and -.3	Weak	Negative
Between -.3 and -.5	Moderate	Negative
Less than -.5	Strong	Negative

The Pearson correlation coefficient (r) is a statistical tool used to measure the strength and direction of a linear relationship between two quantitative variables. Its value ranges from –1 to 1, where positive values indicate a positive relationship and negative values indicate a negative relationship. General guidelines interpret r values greater than 0.5 as strong, 0.3 to 0.5 as moderate, and 0 to 0.3 as weak, with corresponding negative values indicating the same strength but in an inverse direction. This coefficient is essential in research because it quantifies the association between variables and provides evidence for significant relationships

Table 2 Reliability and Validity Test

Variables	Pearson's R	Interpretation
Investment Decisions		
Item 1	0.67	Reliable
Item 2	0.49	Reliable
Item 3	0.47	Reliable
Item 4	0.50	Reliable
Item 5	0.48	Reliable
Confirmation Bias		
Item 1	0.45	Reliable

Item 2	0.50	Reliable
Item 3	0.46	Reliable
Item 4	0.57	Reliable
Item 5	0.53	Reliable
Conservatism Bias		
Item 1	0.47	Reliable
Item 2	0.54	Reliable
Item 3	0.50	Reliable
Item 4	0.46	Reliable
Item 5	0.44	Reliable

Table 3 Scaling and Quantification

Options	Statistical Range	Description	Interpretation
4	3.26 - 4.00	Strongly Agree	Very High Practice
3	2.51 - 3.25	Agree	High Practice
2	1.76 - 2.50	Disagree	Low Practice
1	1.01 - 1.75	Strongly Disagree	Very Low Practice

The results are presented using statistical ranges based on a Likert scale to interpret the level of agreement for each option. Each of the four options has its own statistical range, description, and interpretation. Ratings between 3.26 and 4.00 indicate "strongly agree," which reflects a very high practice. Scores from 2.51 to 3.25 represent "agree," showing a high practice, while ratings from 1.76 to 2.50 indicate "disagree," reflecting a low practice. Finally, scores between 1.01 and 1.75 correspond to "strongly disagree," which is understood as having a very low practice at all.

4.1. What is the level of Behavioral Biases among the members of MinSUEMPCo as characterized by Confirmation Bias

Table 4 Mean Perception Profile of the Respondents in Terms of Confirmation Bias

Item	Mean	Rank	Description	Verbal Interpretation
I tend to seek information that supports my existing beliefs when making investment decisions.	3.53	1	Strongly Agree	Very High Practice
I sometimes overlook or downplay new information that contradicts my previous investment choices.	3.45	2	Strongly Agree	Very High Practice
I value advice more when it supports my original opinion about an investment.	3.40	3	Strongly Agree	Very High Practice
I prefer to read or listen to opinions that align with my current investment views.	3.39	4	Strongly Agree	Very High Practice
I continue to trust my initial investment judgment even when presented with opposing evidence.	3.36	5	Strongly Agree	Very High Practice
Overall Mean	3.43		Strongly Agree	Very High Practice

The highest-rated indicator in Table 4 is "I tend to seek information that supports my existing beliefs when making investment decisions" with a mean of 3.53, interpreted as a very high level of practice, which directly answers Statement of the Problem 1.1 on the level of confirmation bias among MinSUEMPCo members. This finding shows that the most

evident aspect of confirmation bias is members' strong tendency to look for belief-supporting information. This occurs because investors naturally prefer information that confirms their existing views, as it provides psychological comfort and reduces uncertainty. How this bias operates is through selective attention, where members focus on familiar opinions or sources aligned with their investment beliefs. This result is consistent with Agarwal [6] and Smith [12], who found that investors commonly favor confirming evidence when making financial decisions.

The lowest-rated indicator is "I continue to trust my initial investment judgment even when presented with opposing evidence" with a mean of 3.36, still interpreted as a very high level of practice, which remains relevant in addressing Statement of the Problem 1.1. This result shows that resistance to revising initial judgments is the least dominant but still present aspect of confirmation bias. This occurs because members tend to rely on their first investment decisions and view them as already correct or sufficient. How this affects investment behavior is seen in limited openness to opposing information, even when new data could improve decision quality. This finding supports Caplan [15], Chao [13], and De Sousa Barbosa et al. [16], who explained that confirmation bias discourages belief revision and reinforces decision rigidity.

Overall, Table 4 presents an overall mean of 3.43, indicating a very high level of confirmation bias among MinSUEMPCo members, which clearly addresses Statement of the Problem 1.1 and provides context for Statement of the Problem 3. This result characterizes members' behavior as strongly influenced by selective information processing and belief consistency. This occurs because members prefer stability and familiarity in their investments and do not regularly reassess their financial choices. How confirmation bias influences investment decisions, however, is limited, as members maintain fixed and passive investment behaviors with minimal changes over time. Consistent with Smith [12] and Villanova [14], the findings suggest that while confirmation bias is psychologically present, its practical effect is reduced by the cooperative's stable and predictable investment structure.

4.2. What is the level of Behavioral Biases among the members of MinSUEMPCo as characterized by Conservatism Bias

Table 5 Mean Perception Profile of the Respondents in Terms of Conservatism Bias

Item	Mean	Rank	Description	Verbal Interpretation
I often rely on past information even when new and relevant data is available.	3.38	3	Stronly Agree	Very High Practice
I hesitate to change my investment decision even when the market shows clear changes.	3.14	5	Agree	High Practice
I stick to familiar investment options rather than trying new strategies.	3.46	1	Strongly Agree	Very High Practice
I believe that past investment outcomes are more reliable than current market trends.	3.40	2	Strongly Agree	Very High Practice
I seldom update my investment knowledge unless there is a strong reason to do so.	3.15	4	Agree	High Practice
Overall Mean	3.31		Strongly Agree	Very High Practice

The highest-rated indicator in Table 5 is "I stick to familiar investment options rather than trying new strategies" with a mean of 3.46, interpreted as a very high level of practice, which directly answers Statement of the Problem 1.2 on the level of conservatism bias among MinSUEMPCo members. This finding shows what aspect of conservatism bias is most evident—strong preference for familiarity and established investment practices. This occurs because cooperative members value security, predictability, and long-term stability, which are core features of cooperative-based investments. How this bias operates is through members' tendency to retain traditional investment options such as fixed share capital and savings rather than exploring alternative or newer strategies. This result is consistent with Agarwal [6] and Caplan [15], who found that conservatism bias causes investors to favor past experiences and resist change even when new information is available.

The lowest-rated indicator is "I hesitate to change my investment decision even when the market shows clear changes" with a mean of 3.14, interpreted as a high level of practice, yet still relevant in addressing Statement of the Problem 1.2. This result shows what aspect of conservatism bias is less dominant, indicating that while members notice market changes, their response remains cautious. This occurs because members may lack sufficient confidence or financial literacy to interpret market signals and assess whether change is beneficial. How this affects investment behavior is seen in delayed or minimal adjustments rather than proactive decision-making. This finding supports Wells [17] and De Sousa Barbosa et al. [16], who explained that conservatism bias leads to underreaction to new information rather than complete disregard for it.

Overall, Table 5 presents an overall mean of 3.31, indicating a high level of conservatism bias among MinSUEMPCo members, which clearly addresses Statement of the Problem 1 and provides context for Statement of the Problem 3 regarding its relationship with investment decisions. This result explains what characterizes members' behavioral bias—strong reliance on past knowledge and familiar investment patterns. This occurs because cooperative members associate stability and historical performance with lower risk and greater financial security. How conservatism bias influences investment decisions is reflected in members' preference for maintaining existing investment levels and resisting frequent changes, contributing to the significant relationship found between conservatism bias and investment decisions. Consistent with Agarwal [6], Wells [17], and Polizzi [9], the findings justify the proposal of a targeted financial literacy and adaptability program under Statement of the Problem 4 to help members gradually update beliefs and improve investment decision-making.

4.3. What is the status of the members of MinSUEMPCo's investment decisions?

Table 6 Mean Perception Profile of the Respondents in Terms of Investment Decisions

Item	Mean	Rank	Description	Verbal Interpretation
I have sufficient knowledge about different types of stocks and investment products (e.g., bonds, mutual funds, real estate, etc.)	2.03	5	Disagree	Low Practice
I set clear financial goals (e.g., retirement, education, business capital) before making an investment.	2.09	4	Disagree	Low Practice
When selecting investment products, I prioritize potential profit over other considerations (such as risk, security, or liquidity).	3.24	1.5	Agree	High Practice
I understand how fluctuations in the capital market (e.g., changes in stock prices, interest rates, inflation) affect my investment decisions.	3.11	3	Agree	High Practice
Overall, I feel confident in making my own investment decisions based on my knowledge, goals, and understanding of the market.	3.24	1.5	Agree	High Practice
Overall Mean	2.74		Agree	High Practice

The highest-rated indicators in Table 6 are "When selecting investment products, I prioritize potential profit over other considerations" and "Overall, I feel confident in making my own investment decisions," both with a mean of 3.24 and interpreted as a high level of practice. This directly answers Statement of the Problem 2 by describing the status of MinSUEMPCo members' investment decisions as moderately confident and profit-oriented. This finding shows that the most evident aspect of investment decision-making among members is their focus on expected returns and self-confidence in decision-making. This occurs because cooperative members view investments primarily as a means of generating additional income through dividends rather than as instruments requiring active market analysis. This result is consistent with Gill et al. [18], Aristiwati and Hidayatullah [20], and Thomas [19], who emphasized that profit motivation and confidence are central factors in investors' decision behavior.

The lowest-rated indicator is "I have sufficient knowledge about different types of stocks and investment products" with a mean of 2.03, interpreted as a low level of practice, which still meaningfully addresses Statement of the Problem 2. This result shows that limited investment knowledge is the weakest aspect of members' investment decision-making. This occurs because most members rely on cooperative-provided investment options and do not actively explore or

study other financial instruments. How this affects investment behavior is seen in members' limited diversification and passive participation in investment activities. This finding supports Oteng [23] and Sumaiya et al. [26], who noted that low financial literacy can weaken decision quality even when investors feel confident.

Overall, Table 6 presents an overall mean of 2.74, indicating a moderate level of investment decision-making among MinSUEMPCo members, which clearly answers Statement of the Problem 2 and provides context for Statement of the Problem 3. This result characterizes members' investment decisions as stable, goal-oriented, and long-term rather than speculative or actively managed. This occurs because cooperative culture emphasizes security, familiarity, and sustained membership benefits over frequent market-driven adjustments. How this status interacts with behavioral biases is reflected in members' reliance on habit and past experience, reinforcing conservatism bias while limiting the practical effect of confirmation bias. Consistent with Humairo et al., as cited in Prayudi & Purwanto [1] and Khaleel [21], the findings highlight the need for financial literacy initiatives to strengthen knowledge, goal-setting, and market awareness in support of better investment decisions.

4.4. Is there a relationship between Behavioral Biases and investment decision among the members of MinSUEMPCo?

4.4.1. Relationship between Behavioral Finance and Investment Decisions

Table 7 Summary of r and r^2 DV: Investment Decisions

IV:	r	r^2	Interpretation
Confirmation Bias	0.1151	0.0132	No Significant Relationship
Conservatism Bias	0.2275	0.2275	Significant Positive Relationship

The results show that confirmation bias has a weak and non-significant relationship with investment decisions (r = 0.1151; r^2 = 0.0132), while conservatism bias demonstrates a significant positive relationship with investment decisions (r = 0.2275). This indicates that behavioral biases do not influence investment decisions equally among cooperative members. The findings suggest that investment behavior in MinSUEMPCo members is shaped more by reliance on past knowledge and stability rather than by selective information-seeking. These results highlight the varying ways psychological tendencies affect financial decision-making within a cooperative context.

The non-significant relationship between confirmation bias and investment decisions may be explained by the passive investment behavior of MinSUEMPCo members, who tend to maintain fixed investment levels and do not frequently reassess their financial choices. Since members rarely seek new information or adjust their investments, confirmation bias has limited opportunity to influence decision-making, explaining its weak relationship with investment decisions. In contrast, the significant positive relationship between conservatism bias and investment decisions indicates that members strongly rely on previous experiences and long-held beliefs when managing their investments. This reliance on stability and familiarity explains how conservatism bias influences investment decisions by discouraging adjustments even when new financial information is available. Overall, these findings imply that cooperative investment decisions are more affected by resistance to change than by selective information processing, reinforcing the importance of addressing conservatism bias in financial education programs.

4.5. Based on the findings, what financial literacy program or intervention can be proposed to mitigate the impact of behavioral biases on investment decision making?

4.5.1. Behavioral Finance Empowerment Program

This study aimed to investigate the behavioral factors influencing investment decisions among Mindoro State University Employees Multi-Purpose Cooperative (MinSUEMPCo) members, focusing on investment decision-making, confirmation bias, and conservatism bias. The results indicated moderate investment decision-making skills, high confirmation bias tendencies, and a significant positive effect of conservatism bias on investment decisions. These findings served as the basis for developing the Behavioral Finance Empowerment Program, which is anchored on the GOFER decision-making model to address the identified cognitive gaps.

Decision-making involves a cognitive process in which individuals identify goals, generate and evaluate alternatives, gather and analyze relevant information, consider possible outcomes, and reflect on the decisions made. According to Pilat, D., & Krastev, S. [27], decision-making is the process of weighing alternatives to achieve desired outcomes through

information gathering, option identification, evidence evaluation, decision implementation, and review. The GOFER decision-making process Goal clarification, Options generation, Facts-finding, Effects evaluation, and Review was developed by Mann and colleagues and empirically validated by Power and Mann in 1988 as an effective framework for improving decision quality. This structured model emphasizes systematic thinking and reflective judgment, making it suitable for analyzing financial decision-making behavior among cooperative members.

4.5.2. Investment Decision-Making Seminar

The results on investment decision-making revealed that respondents moderately engage in rational financial evaluation. However, the item with the lowest mean score was related to insufficient knowledge of different investment products, indicating a weakness in the facts-finding stage of the GOFER model. When decision-makers lack adequate financial knowledge and evidence, they are more likely to rely on intuition rather than systematic analysis. In response, the Investment Decision-Making Seminar component of the Behavioral Finance Empowerment Program focuses on strengthening foundational investment knowledge through structured learning, case studies, and guided evaluation. This program enhances the Facts-finding and Options generation stages of GOFER, enabling members to align investment decisions more effectively with their financial goals and make informed choices based on sufficient information.

4.5.3. Confirmation Bias Awareness and Debiasing Workshop

The findings showed that confirmation bias was present at a high level among respondents, although it did not show a statistically significant relationship with investment decisions. The lowest indicator under confirmation bias was the tendency to persist in initial judgments despite the presence of opposing evidence. This behavior reflects limitations in the Effects and Review stages of the GOFER model, where decision-makers are expected to objectively evaluate outcomes and reassess decisions when new information becomes available. To address this issue, the Confirmation Bias Awareness and Debiasing Workshop was proposed. This workshop promotes awareness of selective information processing and strengthens members' ability to critically reassess decisions based on updated evidence. By reinforcing reflective evaluation, the program supports more objective comparison of alternatives in the later stages of GOFER.

4.5.4. Conservatism Bias Financial Adaptability Training

The results further revealed that conservatism bias significantly influenced investment decision outcomes. The lowest score under this variable was related to hesitation in changing investment decisions despite clear market changes. These finding highlights difficulty in updating beliefs and adjusting strategies, which corresponds to weaknesses in the Facts-finding and Review stages of the GOFER process. To address this gap, the Conservatism Bias Financial Adaptability Training was included in the Behavioral Finance Empowerment Program. Through dynamic simulations and real-world market scenarios, the training encourages adaptability, belief revision, and effective risk assessment. This approach strengthens members' ability to update decisions in response to accurate and current financial information.

Overall, the Behavioral Finance Empowerment Program is firmly aligned with the GOFER decision-making framework and the empirical results of the study. Each proposed program directly targets the lowest performing indicator in investment decision-making, confirmation bias, and conservatism bias. The program aims to enhance cooperative members' financial decision-making by improving their investment knowledge, minimizing biased reasoning, and increasing their adaptability. The application of the GOFER model ensures that participants engage in more structured, reflective, and evidence-based financial judgments.

5. Conclusion

- The study found that the level of behavioral biases among MinSUEMPCo members is generally high, particularly in terms of confirmation bias. Members tend to seek and give importance to information that supports their existing beliefs about investments. However, despite its high level, confirmation bias does not significantly influence actual investment decisions. This is because most members exhibit passive and fixed investment behaviors. As a result, confirmation bias exists mainly as a psychological tendency rather than an active determinant of investment actions, directly answering Statement of the Problem 1.1.
- In contrast, conservatism bias was also found to have a high level of influence among MinSUEMPCo members and plays a more active role in their investment behavior. Members strongly prefer familiar investment options and rely heavily on past experiences. They tend to resist changes even when new financial information or better opportunities are available. This behavior reflects slow adjustment and underreaction to changing market conditions. Therefore, conservatism bias significantly affects investment decisions, clearly addressing Statement of the Problem 1.2.

- With regard to the status of investment decisions, MinSUEMPCo members demonstrate a moderate level of investment decision-making. The members show confidence and a preference for profit generation, particularly through dividends. However, they display limited knowledge of diverse investment instruments and strategies. Investment decisions are generally stable, long-term, and conservative in nature. These findings indicate that members prioritize security and familiarity over active portfolio management, thereby answering Statement of the Problem 2.
- The relationship between behavioral biases and investment decisions varies depending on the type of bias involved. Confirmation bias shows a weak and statistically insignificant relationship with investment decisions. On the other hand, conservatism bias has a significant positive relationship with how members make investment choices. This indicates that resistance to change has a stronger impact on investment behavior than selective information processing. Thus, the findings confirm that behavioral biases influence investment decisions unevenly, addressing Statement of the Problem 3.
- Based on the overall findings, MinSUEMPCo members' investment behavior is largely driven by stability, familiarity, and long-established habits. Behavioral finance affects investment decisions selectively, with conservatism bias emerging as the dominant influence. These results highlight existing gaps in financial adaptability and investment awareness among members. To address these gaps, a Behavioral Finance Empowerment Program is proposed. This program aims to enhance financial literacy, reduce the negative effects of behavioral biases, and improve the quality of investment decision-making, thereby responding to Statement of the Problem 4.

Recommendations

- It is recommended that MinSUEMPCo conduct a Confirmation Bias Awareness and Debiasing Workshop as part of the Behavioral Finance Empowerment Program. This workshop should help members understand their tendency to focus only on information that supports their existing investment beliefs. Simple case studies and activities that present opposing financial information should be included. These activities will guide members in evaluating information more carefully before keeping or changing investment decisions. This recommendation supports the finding that confirmation bias is present but not strongly affecting actual decisions.
- A Conservatism Bias Financial Adaptability Training is strongly recommended to address members' resistance to changing investment decisions. The training should explain the importance of responding to new financial information and market changes. Practical examples and simple investment scenarios may be used to help members practice adjusting their decisions. This approach will help members become more open to change and reduce overdependence on past experiences. This recommendation directly responds to the finding that conservatism bias has a significant effect on investment decisions.
- An Investment Decision-Making and Financial Literacy Seminar is recommended to improve members' knowledge of different investment options. The seminar should focus on basic investment concepts, risks, and available cooperative investment products. Improving financial knowledge will help members make more informed and confident investment choices. Better understanding of investment options may also reduce reliance on only familiar investments. This recommendation aligns with the finding that members have moderate investment decision-making skills but limited product knowledge.
- The full implementation of the Behavioral Finance Empowerment Program is recommended to address behavioral biases in a systematic way. The program should include sessions on confirmation bias, conservatism bias, and sound investment decision-making. Regular learning activities will help strengthen members' awareness of their own investment behavior. A structured program will support consistent improvement in decision-making over time. This recommendation supports the finding that behavioral finance influences investment decisions in different ways.
- Future researchers are encouraged to study other behavioral biases such as herding behavior, loss aversion, and overconfidence that may affect investment decisions. Studying these biases can provide a deeper understanding of investment behavior among cooperative members. Researchers may also consider studying other cooperatives for comparison. These suggestions can help improve future studies on behavioral finance and investment decisions.

Compliance with ethical standards

Acknowledgements

The authors would like to express our sincere gratitude to our research adviser, Ms. Marife Lopez, MBA, for her invaluable guidance, patience, and insightful suggestions throughout this study. Her expertise and continuous encouragement were instrumental to the successful completion of our research.

We also extend our appreciation to the panel members Prof. Maria Christina F. Melo, PhD; Prof. Shirley I. Mendoza, PhD; and Mr. Russell V. Villarma, MBA, for their constructive input and thorough evaluation, which greatly improved the quality of this work.

A heartfelt thank you goes to our respondents, particularly the MINSUEMPCO members, for their time, cooperation, and willingness to participate.

Special appreciation is accorded to our technical team: Mr. Ryan A. Quinto, RPSY, RPM, LPT, CHRA, CSIOP, the psychometrician for this study; and Mr. Dennis Alcaraz, our statistician, for his assistance in interpreting our data. We are also grateful to Mrs. Lilian B. Vallada, Chairperson of MINSUEMPCO, and Ms. Michelle B. Luzon, MBA, Research Evaluation Committee Chairperson, for their professional help in validating our research instrument.

Disclosure of conflict of interest

No conflict of interest to be disclosed.

Statement of informed consent

Informed consent was obtained from all individual participants included in the study.

References

[1] Prayudi, R. M. N., & Purwanto, E. (2023). The Impact of Financial Literacy, Overconfidence Bias, Herding Bias and Loss Aversion Bias on Investment Decision. Indonesian Journal of Business Analytics, 3(5), 1873–1886. https://doi.org/10.55927/ijba.v3i5.5715

[2] Sharma, A., & Prajapati, B. (2024). An analysis of Behavioral Biases in Investment Decision-Making. In Advances in economics, business and management research/Advances in Economics, Business and Management Research (pp. 3–16).

[3] Vipond, T. (2024, February 15). Behavioral finance. Corporate Finance Institute. https://corporatefinanceinstitute.com/resources/career-map/sell-side/capital-markets/behavioral-finance/

[4] Espanto, F. S., & Dorado, R. A. (2021). Factors affecting the savings of cooperative members in the City of Calamba. Journal of Economics, Management & Agricultural Development. https://jemad.cem.uplb.edu.ph/articles/factors-affecting-the-savings-of-cooperative-members-in-the-city-of-calamba-cooperatives-and-livelihood-development-department-cldd

[5] Cataje, E. (2024). CDA Annual Report 2024. In cda.gov.ph. cda.gov.ph. https://cda.gov.ph/wp-content/uploads/2025/09/CDA-Annual-Report-2024_final.pdf

[6] Agarwal, N. R. (2021b). IMPACT OF BEHAVIOURAL BIASES IN CHOOSING INVESTMENT AVENUES: AN EMPIRICAL STUDY. EPRA International Journal of Multidisciplinary Research (IJMR), 162–167. https://doi.org/10.36713/epra6687

[7] Sindhu, M. I., Kumar, S., & Kumar, P. (2020). Impact of behavioral biases on investment decision making: A systematic review. Qualitative Research in Financial Markets. https://doi.org/10.1108/QRFM-03-2020-0044

[8] Lip, G. (2024, September 9). Cooperatives. Corporate Finance Institute. https://corporatefinanceinstitute.com/resources/commercial-lending/cooperatives/

[9] Polizzi, J. (2023, November 20). Why invest in cooperatives? — OBRAN. OBRAN. https://www.obran.coop/news/why-invest-in-cooperatives

[10] George, A. (2024). Behavioral Finance: The impact of Cognitive Biases. EDC Paris Business School. https://www.edcparis.edu/en/blog/behavioral-finance-impact-cognitive-biases

[11] Shunmugasundaram, V., & Sinha, A. (2024). The impact of behavioral biases on investment decisions: a serial mediation analysis. Journal of Economics Finance and Administrative Science. https://doi.org/10.1108/jefas-08-2023-0243

[12] Smith, R. (2024, June 13). 9 Behavioral biases in investment Decision-Making. Snowpine Wealth. https://snowpinewealth.com/understanding-behavioral-biases-in-investment-decision-making-a-guide/

[13] Chao, A. Z. & Garth Webb Secondary School. (2024). Confirmation bias in decision-making: Implications in finance, business, and digital media. In Highlights in Business, Economics and Management EMFRM 2024 (Vol. 45, pp. 600–601).

[14] Villanova, P. (2024). The Impact of Confirmation Bias in Investing. Smartassets. https://smartasset.com/investing/confirmation-bias-in-investing

[15] Caplan, R. (2023b, November 16). Behavioural Finance, Part 5: Anchoring, Conservatism and Herding. First Wealth. https://www.firstwealth.co.uk/article/behavioural-finance-part-5-anchoring-conservatism-and-herding

[16] De Sousa Barbosa, A. A., Nobre, F. C., Nobre, L. H. N., & Da Silva Bento, F. J. (2024). Conservative bias and endowment effect in Investment Decision-Making Process: Development and validation of scale. Revista De de

[17] Wells, M. (2023, December 23). Overcoming investment biases. Blankinship & Foster, LLC. https://www.bfadvisors.com/overcoming-investment-behavioral-biases/

[18] Gill, S. A., Mand, D. S., & Gill, R. S. (2018). Behavioral biases influencing investment decisions of life insurance investors. International Journal of Economics and Financial Issues https://econjournals.com/index.php/ijefi/article/download/13693/6998/31599

[19] Thomas, K. (2025c, February 4). Investment Decision Meaning: Definition, Factors & Importance. https://unstop.com/blog/investment-decision#:~:text=Making%20investment%20choices%20is%20crucial,objectives%20and%20boost%20overall%20value

[20] Aristiwati, N., Hidayatullah, D., & Ramdani, Z. (2023). Analysis of the influence of financial literacy, investment knowledge, and minimum capital on investment interest in the capital market. Indonesian Journal of Business Analytics (IJBA). https://journal.formosapublisher.org/index.php/ijba/article/download/5200/5769/20443

[21] Khaleel. (2020). FINANCIAL MARKET VOLATILITY AND INVESTOR BEHAVIOR: INSIGHTS FROM STOCK MARKET FLUCTUATIONS. In JETIR, Journal of Emerging Technologies and Innovative Research (Vol. 7, Issue 9, pp. 50–52) [Journal-article]. https://www.jetir.org/papers/JETIR2009472.pdf

[22] Bhandari, P., & Nunes, N. D. (2025). A Study on Factors Affecting Investment Decisions among Individuals. Zenodo (CERN European Organization for Nuclear Research). https://doi.org/10.5281/zenodo.16924736

[23] Oteng, E. & School of Business, Valley View University, P.O.Box AF 595, Accra, Ghana. (2019). Financial literacy and investment decisions among traders in the Techiman municipality [Journal-article]. Research Journal of Finance and Accounting, 6, 50–51. https://doi.org/10.7176/RJFA/10-6-07

[24] Thim. (2025b, March 17). The Filipino Investor's Guide to Setting and Achieving Investment Goals. RichestPH. https://richestph.com/the-filipino-investors-guide-to-setting-and-achieving-investment-goals/

[25] Yuliani, Isnurhadi, & Jie, F. (2017). Risk perception and psychological behavior of investors in emerging market: Indonesian Stock Exchange. Investment Management and Financial Innovations, 14(2), 347–358. https://doi.org/10.21511/imfi.14(2-2).2017.06

[26] Sumaiya, A., Meliala, M. S., & Setiawan, T. A. (2022). THE INFLUENCE OF INVESTMENT KNOWLEDGE, INVESTMENT MOTIVATION AND FINANCIAL LITERATURE ON INVESTMENT INTEREST (CASE STUDY IN INDONESIA STUDENTS WHO HAVE INVESTED). Indikator Jurnal Ilmiah Manajemen Dan Bisnis, 6(2), 112. https://doi.org/10.22441/indikator.v6i2.14153

[27] Pilat, D., & Krastev, S. (2025). Decision-making process. The Decision Lab. https://thedecisionlab.com/reference-guide/psychology/decision-making-process