

**ABSTRACT**

***EFFECT OF INVESTMENT CAPITAL EXPENDITURES AND FINANCIAL DISTRICT ON THE LEVEL OF INDEPENDENCE CITY Se-SUMATRA***

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*Financial independence is an important factor in a region. Good financial area can be seen on its financial performance. The financial situation is supporting the improvement of public confidence, especially in terms of providing a variety of facilities and infrastructure to support regional development, especially capital expenditure. Regional development can also be seen from the investment area, which is pointless to increase income in the form of regional income areas, this can increase the economic growth that comes from government participation in the form of shares that ultimately aims to obtain economic benefits. Economic development to boost local revenues, which in theory the higher contribution of high income area means the area has the ability to finance their own household. This study aims to determine the effect of economic development in the area seen from capital expenditures, the investment on the level of local financial independence, analytical tool used in this research are multiple linear regression model with data processing using SPSS.*

*The results of this study indicate that simultaneous / together capital expenditure, the investment significantly affect the level of financial independence, but individually significant capital expenditures affect the level of financial independence, as well as local investment affect the level of financial independence.*

*Keywords: Capital Expenditure, Investment area, level of independence of the city's financial district Se-Sumatra*