Abstract

Objectives
Basically, this is an empirical study regarding the factors that influence the capital structure. This study has several objectives to be accomplished. The main objective of this research is to determine several factors that expected have impact to the capital structure of companies in Indonesia. Each factor will be tested in order to figure out is there any relationship with leverage of companies or not. Secondly, this study also examines the financial data that used to proxy each independent variable. The last objective is to analyze how those factors influence the capital structure of companies in Indonesia.

Method
The method used in this study is content analysis. The sample of analysis includes 34 companies which involve in consumer goods industry in Indonesia that officially listed in Jakarta Stock Exchange.

Results and Conclusions
The preliminary and tentative findings of this study conclude that first of all, there is a significant relationship between the growth of companies and the leverage. Second, the size of companies is not significantly related to the leverage. Third, there is no significant correlation between the company’s profitability and the leverage. Fourth, there is no significant relationship between the operating risk and the leverage of companies. Fifth, the level of payout of companies is not significantly related to the leverage. Sixth, growth is the only factor that determines the capital structure of companies. Seventh, there are seven financial data that used by the writer in order to proxy each variable. Finally, based on the statistical result, growth does have influences to the capital structure of consumer goods companies in Indonesia.

Key words
Capital structure, influence, consumer goods industry, Indonesia.