

ANALYSIS OF FACTORS AFFECTING STUDENTS' FINANCIAL LITERACY

Jennisa Dwina Indriani¹⁾, Muhammad Ihsan*²⁾, Yola Anggia³⁾
¹²³ Institute of Technology and Business Haji Agus Salmi, Bukittinggi,
Sumatera Barat, Indonesia

* Corresponding Email: muhammad_ihsan@gmail.com

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Abstract

This research aims to determine the influence of gender, class and place of residence on the financial literacy of accounting students at the Haji Agus Salim Bukittinggi Institute of Technology and Business. The method used in this research is a quantitative method. This research uses primary data by distributing direct questionnaires (hard files) and Google forms to ITB HAS regular morning accounting students. The population in this study was 85 people. The sampling technique used was disproportionate stratified random sampling technique . This technique was used because the number of students at each level was uneven. In determining the number of samples used in this research, the author used the Kretjie table method. Where, the α significance level used by the author was 5%. Based on this technique, the samples used in the research were 68 people. The data analysis technique in this research is the outer model test, inner model test, and hypothesis test using the SmartPLS version 3 test tool. Based on the results of the hypothesis test that has been carried out in the research, the results show that (1) gender has a negative and insignificant effect on financial literacy (2) generation has a positive and significant effect on financial literacy (3) place of residence has a positive and insignificant effect on financial literacy. The determinant coefficient value in this research is 54.9%, while the other 45.1% is influenced by other factors that are not used as variables in this research.

Keywords: Gender, Class, Place of Residence, Student Financial Literacy

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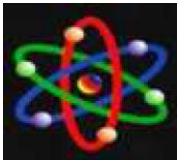
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INTRODUCTION

Every individual definitely has the goal of having a good, comfortable and prosperous life. To achieve this, knowledge of financial management is required. The ability to manage finances can provide comprehensive benefits for individuals in behaving like the concept of financial management, understanding which functions for financial institutions up to responsibility. responsible for managing financial management. So it has an influence on an individual's ability to process all information and skills in financial management which is expected to have a good impact on their financial behavior . Good financial behavior will have an impact on good management. If not, finances will be bad because of low financial literacy. Financial literacy is knowledge , skills , confidence *which* will influence an individual's attitude *and* financial behavior *in* improving the quality of financial management and decision making to achieve prosperity. Based on the National Survey of Financial Literacy and Inclusion (SNLIK) conducted by OJK, the financial literacy of the Indonesian people will reach 49.68% in 2022. This shows that in general the Indonesian people do not yet properly understand the characteristics of various formal financial products and services, even though they are literate. Finance is an important skill in the context of community empowerment, individual welfare, consumer protection, and increasing financial inclusion.

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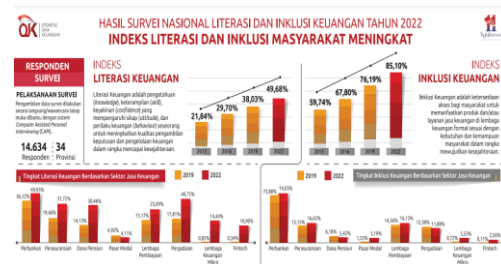


Figure 1. SNLIK Result 2022

A good level of financial literacy is needed by all groups of society, including students. As students, in the future they will become the nation's successors who will run the wheels of national life and make contributions important for the economy in the future. Students are one of the groups who have their own finances, which can come from pocket money given by parents/guardians or from scholarships (Arifa & Setiyani, 2020). So they should have a high awareness of financial literacy. Several financial literacy studies conducted by students using various factors, such as gender, age, education level and parents' income, show that students' financial knowledge or literacy level is still very low . This is certainly a concern for us considering that students are the nation's next young generation. Students must have a good understanding of *personal finance* so they can better plan and manage their personal finances in the future.

According to Bushan and Medhury in (Akmal and Saputra, 2016) defines financial literacy as an individual's ability to make effective judgments and decisions related to financial management. Meanwhile, OJK (in



Syuliswati, 2019) financial literacy is knowledge, skills and beliefs that influence attitudes and behavior to improve financial decisions and management in achieving prosperity. From the definitions above, it can be concluded that financial literacy is an individual's knowledge, skills and ability to properly manage all the monetary resources they have so that they can make effective financial decisions. According to Hungu (in Margaretha and Pambudhi, 2015) gender is the difference between women and men biologically from the time a person is born. The biological differences and biological functions of men and women cannot be exchanged between them, and their functions remain the same as men and women on earth. Margaretha and Pambudhi (2015) states that gender influences financial literacy. states that men tend to have higher personal financial literacy than women. Men do not consider many variables related to their investment decisions, because men are not emotional, logical, easy to make decisions, and very confident.

Class or stambuk is the year in which the respondent entered and was registered as a student at the university (Nababan & Sadalia, 2013) . In the tertiary education system, there is a semester credit system (SKS). In this system, students are allowed to choose the courses they want to take and study within one semester with certain prerequisites. This semester lasts approximately 6 months depending on the regulations

of each university. Actually, there is no special designation for students who are in a particular semester.

RESEARCH METHODS

This research is quantitative research with a descriptive approach. In this research, the type of data source used by researchers is primary data obtained directly from the subjects studied. In this research, the data obtained is the result of a questionnaire distributed online via Google Form to students of the Haji Agus Salim Institute of Technology and Business, Bukittinggi, Bachelor of Accounting and D3 of Accounting Study Programs. Morning Regular. In this study, the population used was active students from the 2019-2022 class of the Haji Agus Salim Bukittinggi Institute of Technology and Business, namely 85 people from the Bachelor of Accounting and D3 Accounting study programs. The sampling technique in this research was disproportionate stratified random sampling technique . This technique is used because the number of students at each level is uneven. In determining the number of samples used in this research, the author used the Kretjie table method. Where, the significance level α used by the author is 5% . Based on the sampling technique using the Kretjie table method above, the author obtained a sample of 68 people. This research uses partial regression analysis (Partial Least Square/PLS) to test the three hypotheses proposed in this research. Each hypothesis will be





analyzed using Smart software PLS 3 to test the relationship between variables. The validity and reliability test is a test of the quality of the instrument and the suitability of the data used in this research is the validity test and reliability test. Instrument processing uses SEM-PLS. Evaluate the outer model Which Also called measurement model evaluation, it is carried out to assess the validity and reliability of the model. The outer model with reflexive indicators is evaluated through convergent validity and discriminant validity for the indicators forming the latent construct, as well as through composite reliability and Cronbach alpha for the indicator block (Chin, 1998 in Ghozali 2011).

RESULTS

In the research conducted, the respondents who were used as research objects were undergraduate and DIII regular accounting students at the Haji Agus Salim Institute of Technology and Business Bukittinggi with a population of 85 people and a sample of totaling 68 people. This research was carried out by distributing 54 questionnaires directly (hard files) and 14 Google Form questionnaires. This research classifies respondents based on gender, class and place of residence. The classification of respondents can be explained as follows:

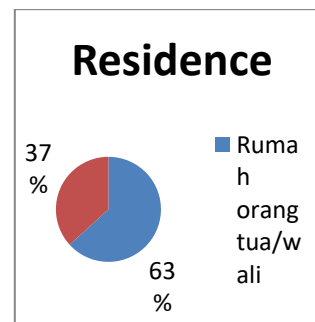
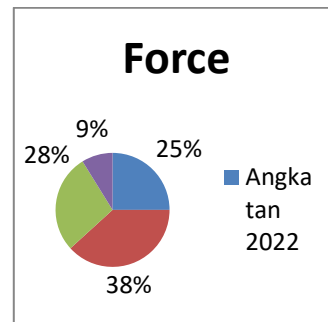
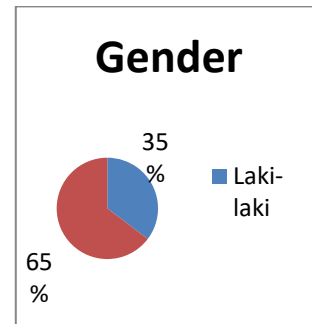


Figure 2. Descriptive Statistical Analysis

In the modified model as in table 3 , it shows that there is none indicators that select loading factor values below 0.5. This shows that the indicator has high validity and meets convergent validity . Thus the analysis can be continued with the Discriminant Validity test.



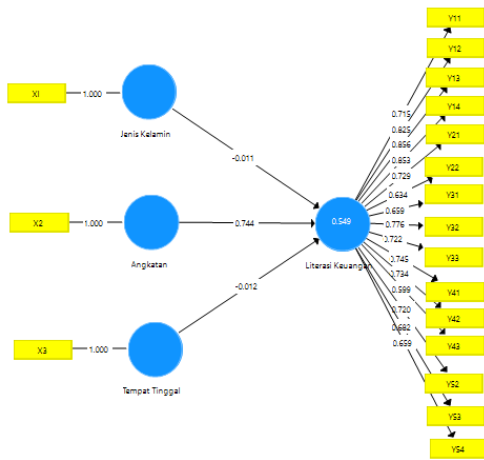
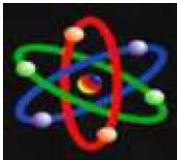


Figure 3. Convergent Validity Test

In discriminant validity testing, it can be seen using the results of AVE, crossloading and latent variable correlation testing. The following are the results of the discriminant validity test from the AVE test :

| | Average Variance Extracted (AVE) |
|--------------------|----------------------------------|
| Force | 1,000 |
| Gender | 1,000 |
| Financial Literacy | 0.534 |
| Residence | 1,000 |

Table 1. Average Variance Extracted (AVE) Value

From table above it can be seen that the AVE value of each latent variable or construct is above 0.5. Therefore, there is no convergent validity problem in the model tested. So in this research the latent variable or construct has good discriminant validity.

| | Cronbach's Alpha |
|--------|------------------|
| Force | 1,000 |
| Gender | 1,000 |

| | |
|--------------------|-------|
| Financial Literacy | 0.937 |
| Residence | 1,000 |

Table 2. Cronbach Alpha Value

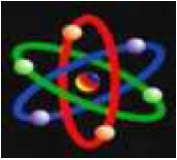
Apart from being measured by assessing convergent validity and discriminant validity , the outer model can also be carried out by looking at the reliability of latent variables or constructs from the Cronbach alpha value of the indicator block that measures the latent variable. A latent variable will be declared a variable if it has a Cronbach alpha value greater than 0.60. In table above , the model shows that all variables have *Cronbach alpha values* above 0.60. Based on these results, it can be concluded that each latent variable or construct has good reliability in accordance with the required minimum value limit.

| | Original Sample (O) | Sample Mean (M) | Standard Deviation (STDEV) | T Statistics ((O-STDEV)/STDEV) | P Value |
|---------------------------------|---------------------|-----------------|----------------------------|--------------------------------|---------|
| Force -> Financial Literacy | 0.744 | 0.752 | 0.041 | 17,980 | 0.000 |
| Gender -> Financial Literacy | 0.011 | 0.018 | 0.070 | 0.163 | 0.435 |
| Residence -> Financial Literacy | 0.012 | 0.015 | 0.088 | 0.136 | 0.446 |

Table 3. Path Coefficient (Mean, STDEV, tstatistic, p-value)

From table above, it can be seen that the Original Sample (O) value of the Gender variable is -0.011, which means it has a negative effect on financial literacy. Meanwhile, if we look at the significance value, it is





shown that the t-statistic value is $0.163 < 1.96$, and the probability value is P-value $0.435 > 0.05$. This means that gender has a negative and insignificant effect on Financial Literacy, so **Hypothesis H1 is rejected.**

From table above, it can be seen that the Original Sample (O) value of the Force variable is 0.744, which means it has a positive effect on financial literacy. So the higher the class, the higher the student's financial literacy level. Meanwhile, if we look at the significance value, it is shown that the t-statistic value is $17.980 > 1.96$, and the probability value for the P-value is 0.000. These results show that class has a positive and significant effect on Financial Literacy, so **Hypothesis H2 is accepted.**

From table above, it can be seen that the Original Sample (O) value of the residence variable is -0.012, which means it has a negative effect on financial literacy. Meanwhile, if we look at the significance value, it is shown that the t-statistic value is $0.136 < 1.96$, and the probability value for the P-value is $0.446 > 0.05$. These results indicate that residence has a negative and insignificant effect on Financial Literacy, so **Hypothesis H3 is rejected.**

From the results of the hypothesis tests that have been carried out, researchers found that gender has a negative and insignificant effect on financial literacy. Because basically male and female students receive the

same treatment and knowledge regarding financial information while in college. So that students have sufficient knowledge about terms in finance, financial management and financial products. Not only that, equality in accessing financial matters on the internet also means that male and female students have the same opportunity to learn about finance.

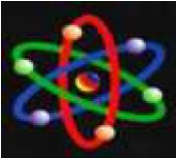
CONCLUSION

This research was conducted to analyze what influences the financial literacy of Haji Agus Salim Bukittinggi Institute of Technology and Business students. Based on the results of testing and data processing that have been carried out, the following conclusions can be obtained ; Gender and place of residence partially have a negative and insignificant effect on the financial literacy of students at the Haji Agus Salim Bukittinggi Institute of Technology and Business . Meanwhile, A ngkatan has a significant positive effect on the financial literacy of students at the Haji Agus Salim Bukittinggi Institute of Technology and Business.

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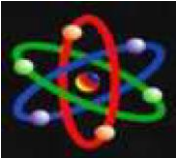
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