

The Influence Of Financial Literature And Contribution Of Universities On Student Financial Behavior

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Abstract – Students in Indonesia are often unable to manage their finances for various reasons stated. Conditions like this will be dangerous because students are the nation's successors who will continue the struggle of their predecessors. The inability of students to manage their finances is due to low financial literacy and the lack of attention from universities in supervising their students. This research was conducted on students of the Bogor Unity Institute of Business and Informatics, Faculty of Vocational Studies, Class of 2019-2021. This study uses quantitative methods where quantitative methods are scientific and systematic research on many parts in which there are phenomena and relationships. This study obtained respondents as many as 157 students. This study found a strong influence between Financial Literacy Variables (X1) and Student Financial Behavior (Y) and a low influence between College Contributions (X2) having an influence on Student Financial Behavior (Y). This study concludes that Financial Literacy (X1) and Higher Education Contribution (X2) have an influence on Student Financial Behavior (Y).

Keywords – Student Financial Behavior, Financial Literacy, Contribution of Higher Education.

I. INTRODUCTION

Financial literacy is very important for every individual to know, because each individual can avoid financial problems, because sometimes individuals often make sacrifices in making a decision, sacrificing one interest to fulfill another interest. If this is done continuously it will harm the individual, as a result there will always be sacrifices for the achievement of other interests. According to (Tinggi., 2017), financial behavior is a pattern of habits and behavior of a person in managing his personal finances. From this we can see that each individual will be faced with financial problems, namely how individuals will behave wisely or not with the amount of money received and spent.

If individuals have good financial behavior, they will be wiser in using and managing the money they receive and this will apply otherwise if the individual is not wise in responding to them, the individual cannot manage finances. The survey conducted by (OJK, 2013), stated that the level of financial literacy of the Indonesian population is divided into 4 parts: well literate (21.84%), quite literate (75.69%), less literate (2.06%), not literate (0.41 %). From the survey, the level of financial literacy in Indonesia itself has a low literacy rate compared to neighboring countries. From the results of a behavioral survey by OJK in 2013 regarding the level of public financial literacy, it shows that only 21.84% of the total Indonesian population is in the Well Literate category, namely those who have knowledge and beliefs about financial service institutions including features, benefits and risks. rights and obligations related to financial services, as well as having skills in using financial service products.

With financial literacy, individuals can enjoy their finances well, to achieve their personal financial goals. Although the financial resources owned by individuals are limited, if they can manage financial literacy well, individuals will more easily achieve their life goals and can control and control their finances. Financial literacy is very important for every individual, including students, by understanding financial literacy students can avoid financial problems. Universities also contribute to

providing direction related to the financial behavior of their students so that every student at the university can carry out lecture activities without cost constraints.

As in the Covid 19 era, the rise of online shopping systems at online stores and other centers that allow people to be more consumptive and make impulse purchases, because by utilizing online communication media such as grab, maxim, gojek, or online shuttle services, it can make it easier for people to transact. This sometimes results in increasingly irrational consumer behavior, because something happens in making a purchase (Sumtoto, 2015). So that the high level of consumption in financial management is not good. Usually the younger generation, including students, are lazy to record their finances. Most students do not have their own stage and still rely on reserve funds from their respective parents.

The progress of the digital era at least affects the community in consuming, as well as students who can change their consumption patterns by utilizing advances in technology and information. Students' ability to manage daily finances is closely related to financial knowledge and must be responsible for the financial decisions they have made. Students of the Vocational Faculty of the Unity Institute of Business and Informatics are one of the faculties with an age *range* of 17-29 years. With diverse backgrounds, the level of knowledge and understanding of students on financial literacy is different for each individual. Students of the Vocational Faculty of the Unitary Institute of Business and Informatics must be able to have better financial literacy than other students, because they have studied economics and finance, this is done so that the Vocational Faculty students will have the provision in managing their finances well. especially in managing and making future financial decisions.

However, not all students can manage finances well, especially when this is the first time they are managing finances in college. A small number of Vocational Faculty students are boarding children who live far from their parents. To meet their daily needs, they wait for money transfers from their parents first. If some of them cannot manage their finances well, the funds provided for their needs for a month can run out in a week or sometimes not in a month. Therefore, knowledge of financial literacy is very important so that it can be applied in daily life so that students of the Vocational Faculty of the Unitary Business and Informatics Institute can manage finances well.

From the description above, the author intends to conduct research with the title "*The Effect of Financial Literacy and the Contribution of Higher Education on Student Financial Behavior*".

II. METHOD

In this study, the research design used was the correlation method with a quantitative approach. (Rudini, 2017) explained that quantitative research is research that aims to process data in the form of numbers as a tool used to analyze and carry out research studies, and is centered on numerical data from research results that have been researched. The method used in this study is a correlation research method with the aim of finding out the extent to which variations in a factor can be related to variations in a factor or to other factors based on the correlation coefficient.

The population in this study were all students of the Vocational Faculty of the Unitary Business and Informatics Institute. From this population, a minimum sample of 150 students and active students of the Vocational Faculty of the Unitary Business and Informatics Institute, aged 17-29 years. The analysis technique used is descriptive test, validity test, reliability test and correlation coefficient test

III. RESULTS AND DISCUSSION

Descriptive Statistical Analysis Results

In this study, researchers have given questions to 157 respondents who are Vocational students of the Bogor Institute of Business and Informatics, Class of 2019-2021. The results of the descriptive test using the SPSS IBM 25 *Software show the following results:*

1. Gender

Based on the results of the study, the gender of the respondents obtained the following results:

Table 1: Description of Respondents by Gender

Gender	Frequency	Percent
Man	32	20.4%
Woman	125	79.6%
Total	157	100.0%

Source: Data processed by researchers, SPSS.

Based on the *output IBM SPSS software 25* above, can be interpreted if in this study the questionnaires were returned by 157 respondents, of which 20.4% of respondents totaling 32 respondents were male, and 79.6% of other respondents totaling 125 respondents were female. The results of this gender can be concluded if the majority of the respondents are women who are Vocational students of the Bogor Business and Informatics Institute, Class of 2019-2021.

2. Age

Based on the results of the study, the age of the respondents obtained the following results:

Table 2: Description of Respondents by Age

Age	Frequency	Percent
18	23	14.6%
19	54	34.4%
20	49	31.2%
21	11	7.0%
22	12	7.6%
23	5	3.2%
24	3	1.9%
Total	157	100.0%

Source: Data processed by researchers, SPSS.

Based on the *output IBM SPSS software 25* above, can be interpreted if in this study the age of the youngest respondent is 18 years and the age of the oldest respondent is 24 years. Respondents aged 18 years amounted to 14.6% or 23 respondents, Respondents aged 19 years amounted to 34.4% or 54 respondents, Respondents aged 20 years amounted to 31.2% or 49 respondents, Respondents aged 21 years amounted to 7% or 11 respondents, Respondents who 22 years old amounted to 7.6% or 12 respondents, respondents aged 23 years amounted to 3.2% or 5 respondents and respondents aged 24 years amounted to 1.9% or 3 respondents. The results of this age can be concluded if the majority of respondents are 19 years old who are Vocational students of the Bogor Unitary Business and Informatics Institute for the 2019-2021 class.

3. Major

Table 3: Description of Respondents by Major

Major	Frequency	Percent
Accountancy	3	1.9%
Marketing Management	3	1.9%
Banking and Finance	151	96.2%
Total	157	100.0%

Source: Data processed by researchers, SPSS.

Based on the *output IBM SPSS software 25* above, can be interpreted if in this study 1.9% or 3 respondents filled out the questionnaire from the Accounting major, 1.9% or 3 respondents from the Marketing Management major and 96.2% or 151 respondents from the Banking and Finance department. The results of this department can be concluded if the majority of respondents are from the Department of Banking and Finance, Vocational students at the Bogor Institute of Business and Informatics, Class of 2019-2021.

4. Force

Table 4: Description of Respondents by Class

Force	Frequency	Percent
2019	64	40.8%
2020	54	34.4%
2021	39	24.8%
Total	157	100.0 %

Source: Data processed by researchers, SPSS.

Based on the *output The IBM SPSS 25 software* above, can be interpreted if in this study those who filled out the questionnaire came from the 2019 batch as many as 40.8% or 64 respondents, the 2020 class as many as 34.4% or 54 respondents and the 2021 batch as many as 24.8% or 39 respondents. The results of this batch can be concluded if the majority of respondents are from the 2019-2021 class of Vocational students at the Bogor Business and Informatics Institute, Class of 2019-2021.

Validity Statistical Analysis Results

1. X1 Validity

Financial Literacy is the first variable in this study. Financial Literacy is used as the first variable which states that Financial Literacy and Higher Education Contributions have a relationship with the Financial Behavior of Vocational Students at the Bogor Institute of Business and Informatics. The results of the X1 Validity are obtained with the following results:

Table 5: Validity X1

Variable	rTable	rCount	Validity Results
X1.1	0.3	0.734	Valid
X1.2	0.3	0.659	Valid
X1.3	0.3	0.343	Valid
X1.4	0.3	0.702	Valid

X1.5	0.3	0.728	Valid
X1.6	0.3	0.687	Valid
X1.7	0.3	0.505	Valid
X1.8	0.3	0.272	Invalid
X1.9	0.3	0.495	Valid

Source: Data processed by researchers, SPSS.

Based on the *output IBM SPSS 25 software* above, can be interpreted if the Financial Literacy Variable (X1) there are 8 valid items because they get a value > 0.3 with the highest value of 0.734 and the lowest value of 0.343. There is 1 indicator that is declared invalid because it gets an $r\text{Count} < 0.3$ with a value of 0.272. Based on these results, it is stated that there are 8 valid items and 1 invalid item. 1 item that is not valid is the item from the Investment indicator number 2, so that the item is not continued on the reliability test and is not expected to be used in further research.

2. X2 Validity

The contribution of universities is the second variable in this study. Higher Education Contribution is used as the second variable which states that Financial Literacy and Higher Education Contribution have a relationship with the Financial Behavior of Vocational Students at the Bogor Institute of Business and Informatics. The results of the X2 Validity are obtained with the following results:

Table 6: Validity X2

Variable	rTable	rCount	Validity Results
X2.1	0.3	0.739	Valid
X2.2	0.3	0.831	Valid
X2.3	0.3	0.811	Valid
X2.4	0.3	0.763	Valid
X2.5	0.3	0.858	Valid
X2.6	0.3	0.818	Valid
X2.7	0.3	0.650	Valid
X2.8	0.3	0.727	Valid
X2.9	0.3	0.741	Valid

Source: Data processed by researchers, SPSS.

Based on the *output IBM SPSS 25 software* above, can be interpreted if in the Higher Education Contribution Variable (X2) there are 9 valid items because they get a value > 0.3 with the highest value of 0.858 and the lowest value of 0.650. Based on these results, it is stated that there are 9 valid items and all of them are ready to be continued for reliability tests and are expected to be used for further research.

3. Y validity

Student Financial Behavior is the third variable in this study. Student Financial Behavior is used as the third variable which states that Financial Literacy and Higher Education Contributions have a relationship with the Financial Behavior of Vocational Students at the Bogor Institute of Business and Informatics. The results of Validity Y are obtained with the following results:

Table 7 : Y . Validity

Variable	rTable	rCount	Validity Results
Y1.1	0.3	0.746	Valid
Y1.2	0.3	0.586	Valid
Y1.3	0.3	0.531	Valid
Y1.4	0.3	0.702	Valid
Y1.5	0.3	0.758	Valid
Y1.6	0.3	0.441	Valid
Y1.7	0.3	0.505	Valid
Y1.8	0.3	0.450	Valid
Y1.9	0.3	0.740	Valid

Source: Data processed by researchers, SPSS.

Based on the *output IBM SPSS 25 software* above, can be interpreted if the Student Financial Behavior Variable (Y) contains 9 valid items because it gets a value > 0.3 with the highest value of 0.758 and the lowest value of 0.441. Based on these results, it is stated that there are 9 valid items and all of them are ready to be continued for reliability tests and are expected to be used for further research.

Reliability Statistical Analysis Results

1. X1 . Reliability

In the Validity test, it is known that in Variable X1 there are only 8 valid items that can be continued testing on reliability. The results of the reliability test of the Financial Literacy Variable (X1) are as follows:

Table 8 : X1 . Reliability

Variable	RTable	Cronbach's Alpha	Reliability Results
X1	0.6	0.759	Reliable

Source: Data processed by researchers, SPSS.

Based on the results of the reliability test, it can be interpreted that of the 8 indicators that were tested, the Cronbach's Alpha value of 0.759 was obtained. Based on these results, the results of the Financial Literacy (X1) value above 0.6, then the data is declared reliable.

2. X2 reliability

In the Validity test, it is known that in Variable X2 there are 9 valid items that can be continued testing on reliability. The results of the Higher Education Contribution Variable (X2) reliability test are as follows:

Table 9 : X2 Reliability

Variable	rTable	Cronbach's Alpha	Reliability Results
X2	0.6	0.915	Reliable

Source: Data processed by researchers, SPSS.

Based on the results of reliability testing, it can be interpreted that of the 9 indicators that were tested, the Cronbach's Alpha value of 0.915 was obtained. Based on these results, the result of the Higher Education Contribution (X2) value is above 0.6, then the data is declared reliable.

3. Y . reliability

In the validity test, it is known that in Variable Y there are 9 valid items that can be continued testing on reliability. The results of the reliability test of Student Financial Behavior Variable (Y) are as follows:

Table 10 : Y . Reliability

Variable	rTable	Cronbach's Alpha	Reliability Results
Y	0.6	0.770	Reliable

Source: Data processed by researchers, SPSS.

Based on the results of reliability testing, it can be interpreted that of the 9 indicators that were tested, the Cronbach's Alpha value of 0.770 was obtained. Based on these results, the results of the Student Financial Behavior (Y) score above 0.6, then the data is declared reliable.

Correlation Coefficient Statistical Analysis Results

1. X1 and Y . Correlation Coefficient Test

In the correlation coefficient test of the Financial Literacy Variable (X1) on the Student Financial Behavior Variable (Y) the results are as follows:

Table 11: Correlation Coefficient X1 and Y

Correlations			
		Total_X1	Total_Y
Total_X1	Pearson Correlation	1	.675 **
	Sig. (2-tailed)		.000
	N	157	157
Total_Y	Pearson Correlation	.675 **	1
	Sig. (2-tailed)	.000	
	N	157	157

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Data processed by researchers, SPSS.

Based on the test results, it can be interpreted if the correlation coefficient value is 0.675 with a significance value/p value of 0.000. Because the significance value is $p < 0.05$, it can be interpreted that there is an influence between Financial Literacy (X1) on Student Financial Behavior (Y). Referring to the correlation coefficient interpretation guidelines in chapter 3, the correlation coefficient of 0.675 is included in the level of strong relationship. So based on the results of this study, it can be concluded that Financial Literacy (X1) has a strong influence on Student Financial Behavior (Y).

2. X2 and Y . Correlation Coefficient Test

In the correlation coefficient test of the Higher Education Contribution Variable (X2) to the Student Financial Behavior Variable (Y) the results are as follows:

Table 12: X2 and Y . Correlation Coefficients

Correlations			
		Total_X2	Total_Y
Total_X2	Pearson Correlation	1	.349 **
	Sig. (2-tailed)		.000
	N	157	157
Total_Y	Pearson Correlation	.349 **	1
	Sig. (2-tailed)	.000	
	N	157	157

**. Correlation is significant at the 0.01 level (2-tailed).

Source: Data processed by researchers, SPSS.

Based on the test results, it can be interpreted if the correlation coefficient value is 0.349 with a significance value/p value of 0.000. Because the significance value is $p < 0.05$, it can be interpreted that there is an influence between the Contribution of Higher Education (X2) on Student Financial Behavior (Y). Referring to the correlation coefficient interpretation guidelines in chapter 3, the correlation coefficient of 0.349 is included in the low level of relationship. So based on the results of this study, it can be concluded that the Contribution of Higher Education (X2) has a low effect on Student Financial Behavior (Y).

With the results that influence Financial Literacy (X1) and the Contribution of Higher Education (X2) to Student Financial Behavior (Y), it shows that there is a conformity with the theory presented by (Akmal, 2016), if financial literacy is part of human capital that can be used in financial activities in order to increase the expected lifetime consumption benefits. Then this result is also in accordance with what was said by (Abbas, 2008) if the role played by universities is effective learning and education about financial arrangements so that students can understand, assess and act sufficiently so that they can have a better life in the future.

IV. CONCLUSION

Based on the results of this study, the following conclusions can be drawn:

1. The results of the correlation coefficient test of the Financial Literacy variable (X1) obtained a correlation coefficient value of 0.675 which means it is strongly related, with a significance value / p value of 0.000. Because the significance value is $p < 0.05$, it can be interpreted that there is an influence between Financial Literacy (X1) on Student Financial Behavior (Y).
2. The results of the correlation coefficient test of the Higher Education Contribution variable (X2) obtained a correlation coefficient value of 0.349 which means it is low related, with a significance value / p value of 0.000. Because the significance value is $p < 0.05$, it can be interpreted that there is an influence between the Contribution of Higher Education (X2) on Student Financial Behavior (Y).
3. The two variables, both Financial Literacy (X1) and the College Contribution variable (X2) both have an influence on the Student Financial Behavior variable (Y). Financial Literacy (X1) has a strong influence with a correlation coefficient of 0.675 and the Contribution of Higher Education has a low influence with a correlation coefficient of 0.349.

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