

**THE EFFECT OF FINANCIAL LITERACY ON STUDENT
FINANCIAL BEHAVIOR**
(Case Study of Students of Economic Faculty, University of Dehasen Bengkulu)

Sulisti Afriani, Rina Trisna Yanti

Fakultas Ekonomi, Universitas Dehasen Bengkulu, Indonesia

Email : sulistiafrianifatih@gmail.com

Abstract : Financial literacy is very important for everyone to know, the higher a person's financial literacy level, the better his financial behavior will be. This study aims to analyze the effect of financial literacy on student financial behavior in the Faculty of Economics, University of Dehasen Bengkulu. The sample used in this study was 100 students with a data questionnaire method. The results show that the regression model of the regression equation is as follows: $Y = 12.519 + 0.745X$, the correlation coefficient $r = 0.799$ lies between 0.600 - 0.799 including in a strong correlation, R Square of 0.556 means that the variable student financial behavior can be influenced by the variable Financial literacy of 55.6%. While the remaining 44.4% is influenced by other variables not examined in this study. . Because the value of $\alpha < 0.05$, it can be concluded that the Financial Literacy variable partially affects students' financial behavior, meaning that the proposed hypothesis is acceptable, meaning that it accepts H_a and rejects H_o .

Keywords: Financial literacy, Financial behavior

1. Introduction

Financial literacy is very important for every individual to know, individual can avoid financial problems, because sometimes individuals often make sacrifices in making a decision, sacrificing one interest to meet the interests of another. If this is done continuously, it will detrimental to individual, as a result there will always be sacrifices for the sake of achieving other interests.

According to Suryanto, financial behavior is a pattern of habits and behavior of a person when managing his personal finances (2017). 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 the opposite if the individual is not wise in responding, the individual cannot manage finances.

A survey behavioral by OJK (OJK, 2013) states that the level of financial literacy of the Indonesian population is divided into 4 parts: well literate (21.84%), sufficient 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 level of literacy compared to neighboring countries. From the results of a survey behavioral by the 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 confidence 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 sources of finances owned by individuals are limited, if they can manage financial literacy properly, individuals will more easily achieve their life goals and can control and control their finances. Financial literacy is very important for every individual, one of which is a student, by understanding financial literacy students can avoid financial problems.

Like during the Covid 19 era, online shopping systems have become rampant in online shops and other centers that allow people to be more consumptive and make impulsive purchases, because by utilizing online communication media such as grab, maxim, gojek, or online shuttle services. make it easier for people to make transactions. This sometimes results in consumer behavior increasingly irrational, because there is something happening in making a purchase. 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 of the students do not have their own stage and still rely on reserves of funds from their respective parents.

The advancement of the digital era at least affects people in consuming, as well as students who can change their consumption patterns by taking advantage of advances in technology and information. The ability of students to manage daily finances is closely related to financial knowledge and must be responsible for the financial decisions they have made.

Students of the Faculty of Economics are one of the faculties with the highest number of students compared to other faculties at Dehasen University Bengkulu. With diverse backgrounds, the level of knowledge and understanding of students towards financial literacy is different for each individual. Students of the Faculty of Economics, Dehasen University should be able to have better financial literacy than other students, because they have studied economic and financial problems, this is done so that students of the Faculty of Economics will have provisions later in managing their finances well, especially in managing and making decisions. financial future. However, not all students can manage finances well, especially when in college this is the first time for them to manage finances.

Most of the students of the Faculty of Economics are boarding children, who live far from their parents. To fulfill their daily needs, they wait for financial transfers from their parents first. If some of them cannot manage their finances properly, the funds provided for the needs for a period of a month may 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 everyday life so that you can manage finances properly.

From the description above, we intend to address the title of the effect of financial literacy on student financial behavior with a case study of students of the Faculty of Economics, University of Dehasen Bengkulu.

2. Theoretical Review

Financial Literacy

Finance is a very important thing in a person's life, with the knowledge one has, one can optimize his decision to determine the desired financial product. This is in line with the opinion

of Margaretha (2015) that knowledge about finance is very important for individuals so they are not wrong in making other financial decisions.

Financial literacy is a necessary numerical skill and understanding of the basic economic concepts needed to educate in saving and borrowing decisions, Kharchenko (2011). Meanwhile, Huston (2010) argues that financial literacy is a part of human capital that can be used in financial activities in order to increase the expected lifetime benefits of consumption. In addition, the definition of financial literacy according to OJK (2014) is a series of processes or activities to improve knowledge, competence, skills of consumers and the wider community so that they are able to better manage finances.

According to Mitchell in Farah and Sari (2015: 134), financial literacy is the ability of a person to process economic information received and make decisions in planning, financial accumulation, pension and debt. Carolyn L J Mason & Richard M S Wilson (2000) argue that financial literacy is a person's ability to obtain, understand and evaluate information relevant to decision making by understanding the financial consequences it causes. Another opinion says that financial literacy is a set of skills and knowledge that allows an individual to make effective decisions with all their financial resources (Manurung, 2009)

From some of the above definitions, it can be seen that financial literacy is a person's ability to manage finances by utilizing their financial resources to make decisions so that they can manage finances properly.

Financial literacy aspects

Margaretha and Pambudhi (2015) state that there is an effect of gender, GPA and parents' income on financial literacy. Ansong and Gynsare (2012) have found that mother's age, work experience, majors and education affect financial literacy. Chen and Volpe (1998; Mendari and Kewal. 2014) there are 4 aspects contained in financial literacy, which consists of several aspects, namely:

- a) *General Personal Finance Knowledge*, which consists of understanding several things related to basic knowledge of personal finance.
- b) *Saving and borrowing*, which consists of knowledge related to savings and loans such as credit cards.
- c) *Insurance*, which consists of basic knowledge of basic insurance and insurance products such as life insurance and motor vehicle insurance
- d) *Investment*, which consists of knowledge about market interest rates, mutual funds and investment risks.

Widayati (2012) developed 15 indicators of financial literacy that have been adapted to conditions in Indonesia, namely:.

- 1) Look for options in a career
- 2) Understand the factors that affect net wages.
- 3) Know the sources of income.
- 4) Describe how to achieve prosperity and fulfill goals
- 5) Understand the savings budget.
- 6) Understand insurance.
- 7) Analyze risk, return and liquidity.
- 8) Evaluating investment alternatives.
- 9) Analyze the effect of taxes and inflation on investment returns.
- 10) Analyze the advantages and disadvantages of owed.
- 11) Explain the purpose of the credit track record and get to know the rights of the debtor.
- 12) Describe ways to avoid or fix debt problems
- 13) Knowing the basic laws of consumer protection in credit and debt.
- 14) Able to make financial records.
- 15) Understand the balance sheet, income statement and cash flow.

Financial Management Behavior and Financial Attitudes

Financial Management Behavior deals with responsibilities someone's finances about how to manage their finances. Responsibility financial responsibility is the process of managing money and other assets in a way which is considered productive. Money management (money management) is a process master using financial assets (Ida, 2010).

A person's financial management behavior can be seen from four things (Irene, 2016) :

- 1) Consumption, Consumption is expenditure by households on various goods and services. Financial Management Behavior can be seen from how what kind of consumption activities a person buys and why he bought it.
- 2) Cash-flow management, Cash flow is a major indicator of financial health, namely size one's ability to pay all its costs. Good cash flow management is a balancing act, money input cash and expenses. Cash flow management can be measured by whether a person is pay bills on time, pay attention to records or proof of payment and create financial budgets and future plans.
- 3) Saving and investment, Savings can be defined as a portion of income that is not consumed in a certain period. Because someone doesn't know what will happen in the future. Money must be saved to pay for incidents expected. Investment, namely allocating or investing current resources with the aim of getting benefits in the future.
- 4) Credit management, The final component of the Financial Management Behavior is Credit management or debt management. Money management is a skill someone in exploiting debt so as not to make or exploit debt to improve its welfare.

Financial attitudes can be reflected by the following six concepts, namely: (Irene,2010)

- 1) Obsession, refers to a person's mindset about money and perceptions about the future to manage money well.
- 2) Power, which refers to someone who uses money as tools to control other people and according to him money can solve the problem.
- 3) Effort, refers to someone who feels they deserve money from what which he's been doing.
- 4) Inadequacy, refers to someone who always feels inadequate have money.

- 5) Retention, refers to someone who has no tendency want to spend money.
- 6) Security, refers to a very outdated view of someone money is like the notion that money is better off just saving yourself without saving in the bank or for investment.

3. Research Method

Types of research

This research is an explanatory research, namely research that explains the causal relationship between several variables through hypothesis testing. Where this relationship can be through a correlation or interrelated relationship, or to find out the contribution of one variable to another. In this study, this study explains financial literacy on student financial behavior.

Population, Sample, and Sampling Technique

The population in this study were S1 class 2018 students who were active in the odd semester 2018/2019 Accounting and management study programs for Class A, at the Faculty of Economics, University of Dehasen Bengkulu with 210 students. The research sample used in the study was 100 undergraduate students class 2018/2019 accounting and management study programs at the Faculty of Economic, University of Dehasen Bengkulu. The sampling was determined by accidental sampling.

Hypothesis

The hypothesis in this study is: "There is a strong influence between financial literacy on student financial behavior at the Faculty of Economic, University of Dehasen Bengkulu".

Data Retrieval Technique

The data collection technique in this study was carried out by distributing questionnaires and measuring the scale of the research questionnaire using a Likert scale. The variables used in this study: The dependent variable is student financial behavior (Y) and the independent Financial literacy (X).

Data Analysis Techniques

The stages of analysis in this research are :

a. Linear Regression,

Analysis linear regression analysis is used to measure the presence or absence of influence between Financial literacy (X) as independent variable (free) student financial behavior (Y) as dependent variable (dependent) .

The regression equation (Sugiyono, 2007: 275) is as follows:

$$Y = a + bX$$

Where :

Y = Student financial behavior

X = Financial literacy

a = Constant

b. The correlation coefficient (r)

After "r" is known, it will be seen the size of the correlation that arises by the variable Financial literacy (X) as independent variable (free) student financial behavior (Y) as dependent variable (dependent) at the Faculty of Economics, University of Dehasen Bengkulu the author uses conservative standards as follows:

Conservative Standards Interval Relationship (Sugiyono, 2019 : 183)

Level 0,000 – 0,199 Very low

Level 0,200 – 0,399 Low

level 0,400 – 0,599 Moderate

Level 0,600 - 0,799 Strong

Level 0,800 – 1,000 Very strong

c. Determination Coefficient (R^2)

d. To test the hypothesis that has been proposed previously using the formula: t test,

4. Results and Discussion

4.1 Results

a) Linear Regression,

The analysis in this study uses the independent variable (X) is Financial literacy , while the dependent variable (Y) is student financial behavior. To find out how much influence the independent variables X (Financial literacy) on the dependent variable Y (student financial behavior), it can be calculated using linear regression analysis techniques. Based on the calculation results of the linear regression model, the results of the regression equation are obtained which can be seen in table1

Table 1 Regression Analysis
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	12.519	2.915		4.294	.000
Financial Literacy	.726	.066	.745	11.068	.000

a. Dependent Variable: Financial Behavior

From table 1 it can be seen that the resulting regression equation is as follows:

$$Y = 12,519 + 0,745X$$

The test results from Coefficiens, can be concluded as follows:

The value of the dependent variable (Y) student financial behavior can be seen from its constant value of 12,519, provided that the independent variable consisting of the independent variables X (Financial literacy) is constant. (fixed), the value of Student financial behavior is 12,519 units. The coefficient is positive, meaning that there is a

positive relationship between X (Financial literacy) and student financial behavior. The more the value of X (Financial literacy) increases, student financial behavior (Y).

- b) The correlation coefficient (r)

Table 2 The correlation coefficient Analysis

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.745 ^a	.556	.551	2.24906

a. Predictors: (Constant), Financial Literacy

From the table 2 it can be seen that The correlation coefficient is obtained $r = 0.745$ after being consulted with conservative standards to determine whether or not this influence is close, it turns out that $r = 0.745$ lies between $0.600 - 0.799$ including in a strong correlation, this means that there is a strong influence between Financial literacy on student financial behavior at the Faculty of Economic, University of Dehasen Bengkulu.

- c) Determination Coefficient (R^2)

Based on Table 2, it can be seen that: R Square of 0.556 means that the student financial behavior variable can be influenced by the Financial literacy variables of 55,6%. While the remaining 44,4% can be influenced by other variables not examined by this study.

- d) To test the hypothesis that has been proposed previously using the formula: t test, Based on table 1, it can be seen that Test (t test) This test is behavioral to determine how far the influence of an independent variable partially (individually) on the dependent variable. Here are the test output results The results from Table 1 as follows:
X (Financial literacy) with $\alpha = 0.00$. Because the value of $\alpha < 0,05$ it can be concluded that the Financial literacy variable partially affect student financial behavior, meaning the proposed hypothesis acceptable, this means accepting H_a and rejecting H_o .

4.2 Discussion

In this study, linear regression the formula $Y = 12,519 + 0,745X$ is obtained. The constant is positive, meaning that it shows the positive influence of the independent variable. If the independent variable increases by one unit, the dependent variable will increase or be fulfilled. The value of all coefficients is also positive, which means that there is a positive relationship between the independent variable and the dependent variable.

The R square coefficient of 0.556 means that the variation means that the student financial behavior variable can be influenced by the Financial literacy variables of 55,6%. While the remaining 44,4% can be influenced by other variables not examined by this study.

The correlation coefficient is obtained $r = 0.745$ after being consulted with conservative standards to determine whether or not this influence is close, it turns out that $r = 0.745$ lies between $0.600 - 0.799$ including in a strong correlation, this means that there is a strong

influence between Financial literacy on student financial behavior at the Faculty of Economic, University of Dehasen Bengkulu

This is indicated by the lowest level of significance, namely $\alpha = 0.000$ and the greatest coefficient. Because the value of $\alpha < 0,05$ it can be concluded that the Financial literacy variable partially affect student financial behavior, meaning the proposed hypothesis acceptable, this means accepting H_a and rejecting H_o .

The results of this study support the results of previous studies behavioral by Soleh (2019) at The results of his research state that Financial literacy has a significant influence on student financial behavior. Where the value of t is 6,341 which means that the higher the level of student financial literacy, the higher the student's financial behavior or they will be more careful in managing finances. This finding is also corroborated by several previous studies, including Andarsari and Ningtyas (2019), which stated that financial literacy has a positive effect on financial behavior, if the higher a person has knowledge, the wiser the person will be in carrying out their financial behavior, where knowledge is finance is the basis of their daily lives. Laily in his findings (2013) said that there is an influence between financial literacy on financial behavior which has a direct effect on student finances, the higher the knowledge and abilities students have in managing their finances, the wiser they are in managing their finance. Study programs have an influence on financial literacy because students with economic studies have higher literacy rates than students with non-economic study programs (Khrisna, et. Al., 2010).

5. Conclusion and Suggestions

Conclusion

From the results of the above calculations, the authors draw several conclusions, namely:

- 1) It is known that the regression formula is the formula $Y = 12,519 + 0,745X$. From this formula, it is known that the constant value is positive, meaning that it shows the positive influence of the independent variables, namely Financial literacy. The formula shows that coefficient is positive, which means that is a positive relationship between the independent variable and the dependent variable
- 2) Financial literacy a strong influence on student financial behavior at the Faculty of Economic, University of Dehasen Bengkulu, it can be seen from the results of quantitative analysis through the correlation coefficient obtained $r = 0.745$ lies between 0.600 - 0.799 including in a strong correlation. The R Square coefficient of 0.556 means that the variation means that the student financial behavior variable can be influenced by the Financial literacy variables of 55,6%. While the remaining 44,4% can be influenced by other variables not examined by this stud
- 3) From the results of hypothesis testing, the value of $\alpha < 0,05$ it can be concluded that the Financial literacy variable partially affect student financial behavior, meaning the proposed hypothesis accepted

Suggestions.

The suggestions put forward are as follows:

- a) Faculty of Economic, University of Dehasen Bengkulu should provide additional knowledge for students regarding general personal finance, for example by giving public lectures or seminars on personal finance so that financial literacy and the ability to manage student finances will increase.
- b) For further research, it is expected to carry out further analysis regarding financial literacy where there are other variables that affect financial literacy in student financial behavior
- c) For students it is expected to further increase their knowledge of financial literacy so that student financial behavior will increase in the future

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