



Factors Influencing Student Financial Literacy (Case Study of Students at the Faculty of Economics and Government Science, Indo Global Mandiri University)

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Abstract

This study aim to analyze the factors that affect student financial literacy with variables of class rank, GPA and pocket money. The object of this research is students of the faculty of Economics and Government Sciences, Indo Global Mandiri University. Data collection techniques were carried out by distributing questionnaires to 263 respondents individually. The hypothesis testing method is done by the chi-square test. The results of this study indicate that the class rank and GPA factors influence students' financial literacy, while the pocket money factor do not affect students' financial literacy.

Keywords: class rank, GPA, pocket money, financial literacy

1. Introduction

Money is part of a person's life which is used as a tool used to carry out transaction activities in meeting our needs and desires in everyday life. In the development of our lives, we have needs and desires that we want to fulfill for our own satisfaction. However, sometimes due to limited money, it is not possible to fulfill all desires, but it is more important to prioritize needs. In modern times like today, there are many things that must be considered in managing finances so that what is needed and wanted can be fulfilled and there are no problems in managing personal finances.

Be it rich or poor, smart or stupid, old or young, all have something in common when it comes to money. We all use money differently from each other. However, what is certain in this world all need money to make transactions. The activity of managing personal finances to meet daily needs and consumption so that the long-term preparation process in the form of savings is also part of Financial Literacy (Irman, 2018)

Financial literacy is very important for all of us because by understanding financial literacy well. We can make plans and make good decisions to make investments or finances that we have to meet all needs. And it is also certain to increase welfare both in the present and in the future. Especially for students who are old enough and are starting to take the path to become independent in managing their own finances without being regulated or supervised by their parents. Because these moments are a transitional period for students to become independent and responsible for the decisions they make in managing their finances.

College students generally have greater freedom to make personal decisions when it comes to finances. Many students learn from trial and error, but this has not been able to make them smart economic actors in today's life. Students are faced with the problem of whether they are financially ready to live independently and start a family (Widyawati, 2012).

Students as the younger generation will not only face increasing complexity in financial products, services and markets, but they are more likely to have to bear more financial risks in the future than their parents (Lusardi, 2010 in (Widyawati, 2012). Due to the growth of financial products, services and markets that will continue to grow and their desires will also increase, they must have a better understanding of financial literacy for themselves.

Students are a component of society with a large enough number of contributors to the economy (Nababan, 2012). Students are also a component of society that is classified as highly educated, so students should have good literacy. However, the current phenomenon among students, especially students who regulate their consumption needs independently, from the results of their parents' and independent income, they undergo various disproportionate economic activities (Irman, 2018).

Students usually manage their finances more for the consumption of their personal satisfaction first than for investing or saving money for the future or for emergencies that occur suddenly outside of the plans they have planned which can cause them financial problems.

2. Method

According to Muhamad (2008: 161) Refers to a group of people or objects that have similarities in one or several things that form the main problem in a study. So in this study the population is Faculty of Economics students who are entering the first semester of lectures in 2017 to 2019 and students of the Faculty of Government Science who are entering the first semester of lectures in 2017 to 2019 Indo Global Mandiri University

Sample Is a part or number of certain samples taken from a population and examined in detail. In this study, researchers used the Slovin method to determine the number of samples as follows:

$$n = \frac{N}{1 + N \cdot e^2}$$

$$= \frac{763}{1 + 763(0.05)^2}$$

$$= 263$$

Where :

n = sample size

N = population size

E = the percentage of inaccuracy due to sampling errors that can still be tolerated or desired, is 5%

3. Results and Discussions

Based on the questionnaires that have been distributed to the respondents, the following discussion will be carried out which aims to discuss the problems and results of the research that has been done. Respondents in this study were Indo Global Mandiri University students from the Faculty of Economics and the Faculty of Government Science starting from the 3rd semester level to the 7th semester level with a total of 263 student respondents and data management using SPSS V.20, so the research and characteristics of the data respondents were obtained as following.

Table 1. The characteristics of respondents based on class rank

No.	class rank	Amount	Percentage
1	3rd semester	47	17.8%
2	5rd semester	133	50.6%
3	7rd Semester	83	31,6%
Total		263	100%

Based on table 1 above, it can be seen that the respondents in this study were divided into three categories. Namely students with semester 3 level of 47 respondents, then students with semester 5 level of 133 respondents, and students with semester 7 level of 83 respondents. Which means the total number of respondents is 263.

It can be seen from the table above, that most of the respondents were students at the 5th semester level. Half of the respondents in this study were students at the 5th semester level who had a grade percentage of 50.6% or a total of 133 respondents. Whereas for student respondents with semester 7 level is 31.6% or a total of 78 respondents. For student respondents with the semester level 3, there were 17.8% or 47 respondents, and the least among the respondents in this study were students from the Faculty of Economics and the Faculty of Government Science, Indo Global Mandiri University.

Table 2. Characteristics of respondents based on GPA

No.	GPA obtained by students	Amount	Percentage
1	<3	53	16,4%
2	3-3,5	134	47,9%
3	>3,5	76	35,7%
Total		263	100%

Based on the table data above, the respondents in this study were divided into three categories. With almost 50% of the data showing that students have a GPA of 3.0-3.5, which is a total of 126 students or 47.9%. while students who have a GPA of less than 3.0 totaled 43 people or 16.4%. Then 35.7% or the remaining 94 respondents have a GPA greater than 3.5

It can be seen that more than 80% of Indo Global Mandiri University students have a high GPA, which is above 3.0. Which shows that the percentage of student understanding is very high. So it can be concluded that these respondents have a fairly high understanding of learning during lectures

3.1. Effect of Class Rank on Student Financial Literacy

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	25.193 ^a	6	.000
Likelihood Ratio	20.333	6	.002
Linear-by-Linear Association	11.259	1	.001
N of Valid Cases	263		

a. 9 cells (75,0%) have expected count less than 5. The minimum expected count is ,18.

X2 count > X2 table value (25.193 > 12.592) and Asymp.sig value < α (0.000 < 0.05). Thus, Ho is rejected and Ha is accepted, which means that Class rank has a significant influence on student financial literacy. This means that the higher the class rank of students, the higher their financial literacy.

3.2 The Effect of GPA on Student Financial Literacy

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	20.804 ^a	6	.002
Likelihood Ratio	17.583	6	.007
Linear-by-Linear Association	11.336	1	.001
N of Valid Cases	263		

a. 9 cells (75,0%) have expected count less than 5. The minimum expected count is ,20.

The calculated X2 value > table X2 value (20.084 > 12.592) and the Asymp.sig value < α (0.002 < 0.05). Thus, Ho is rejected and Ha is accepted, which means that the GPA has a significant influence on student financial literacy. This means that the higher the student's GPA, the higher the financial literacy.

3.3 The Effect of Pocket Money on Financial Literacy

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	8.443 ^a	6	.207
Likelihood Ratio	11.722	6	.068
Linear-by-Linear Association	.040	1	.841
N of Valid Cases	263		

a. 9 cells (75,0%) have expected count less than 5. The minimum expected count is ,16.

X2 calculated value > table X2 value (8.443 < 12.592) and Asymp.sig value < α (0.207 > 0.05). Thus, Ho is accepted and Ha is rejected, which means that pocket money has a significant effect on student financial literacy. This means that the higher the class rank of students, the higher their financial literacy.

4. Conclusion

Based on the analysis that has been carried out to determine the factors that influence student financial literacy at the Faculty of Economics and the Faculty of Government Science at Indo Global Mandiri University, using the chi square test analysis method and the mean Whitney test. So the conclusions that can be drawn from this research are Class rank Variables, and GPA Variables have an influence on the financial literacy of students of the Faculty of Economics and the Faculty of Government Science at Indo Global Mandiri University. Pocket Money Variable and Faculty Difference Variable have no influence on the financial literacy of students of the Faculty of Economics and Faculty of Government Science at Indo Global Mandiri University



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