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Submission date: 01-Dec-2021 05:02PM (UTC+0700)

Submission ID: 1717290351

File name: 7150-Article_Text-13046-1-10-20210522_1.pdf (267.05K)

Word count: 3195

Character count: 17734

Senior High School Student Financial Literation Categorization, Do Family and School Matters? An Evidence from Indonesia

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Article History: Do not touch during review process (xxxx)

Abstract: Financial literacy is indispensable to provide knowledge about financial management. For high school students, financial literacy can be used as a foundation for financial management. The existence of financial literacy is an important aspect for managing money from an early age so that education about financial literacy is an aspect that needs to be given to high school students. This research has a novelty that it is able to analyze important factors that need to be considered to students about important financial literacy factors. This study involved 146 research samples using factor analysis. The results showed two essential factors in financial literacy towards high school students: daily financial management and investment. The most crucial factor is day-to-day financial management. This research is able to produce an elaboration of the critical factors that need to be taught to high school students.

Keywords: Financial Literation, Senior High School Student, Knowledge, Money Management

1. Introduction

Providing financial knowledge is needed from an early age, so managing finances is crucial to note. The ability to manage finances is essential for the younger generation, especially teenagers currently studying (Noor et al., 2020). Students' ability to manage finances will have broad implications in the future so that this ability can be utilized to manage family finances. Education at school is an essential foundation to encourage more comprehensive financial literacy in the future. Financial literacy cannot be done at a specific time but requires a long and planned process (Urban et al., 2020). One of the factors that can be the basis of financial literacy in family education is family education, and a child can be taught financial literacy by his family so that the process can provide education related to financial management. This can encourage developing the most basic and initial to develop financial literacy in the family (Chen et al., 2020). Previous research has not explored much about the financial processes that exist in the family so that this literacy can be explored through this research. Literacy is a process to provide knowledge to someone to know and understand how to implement an action. Financial literacy can be interpreted as a process to provide understanding to others regarding financial management that can be carried out efficiently and effectively. A person's ability to manage finances can provide sufficient financial knowledge and can be used in the future.

2. Literature Review

Financial knowledge can be used as a tool in making financial decisions. In addition to knowledge, skills and resources also influence decisions, and an individual must have skills in reading, analyzing, and managing their finances to make them better. Of course, everyone's financial skills vary depending on how they maximize their skills and existing resources. Financial resources must be utilized and possible so that there is no need and life will be prosperous (Frisancho, 2020).

Financial literacy is capability in managing money of individual, therefore lead to balance of income and expenditure. Financial literacy is implemented for student finance education students. Therefore, they can manage finances intelligently, less knowledge of finance can be overcome, have knowledge and confidence to manage money. Students need to know and believe about financial services and expected to have knowledge. The higher the level of literacy a person has, the more intelligent and practical financial behavior (Abad-Segura & González-Zamar, 2019). Basic knowledge of financial literacy is usually related to making decisions.

Financial literacy occurs when someone has expertise and skills that enable a person to use existing resources to achieve goals. This skill is in the form of reading, analyzing, organizing, and communicating financial skills. Each individual must master these skills and abilities to be able to manage their losses well for the present and in the future. There are four most common things in financial literacy, namely budgeting, savings, loans and investments. Each individual must do these four things. Everyone has to budget when they get money. They must be able to sort out which ones are needed for daily needs, for savings and investment. If everything is done well, there is no need to need additional money by borrowing/debt because it has been able to do budgeting and money

management well. Based on this description, what is meant by financial literacy in this study is the level of student ability to analyze, manage and communicate economic conditions that will affect the welfare and daily financial decisions(Wagner, 2019).

Every individual has a different perspective and behavior regarding money which can influence a person's attitude act irrationally. This is possible because money provides a psychological experience for the owner. Financial Attitude is a psychological characteristic of a person related to personal financial problems. Financial attitudes include being open to information, assessing managing money's importance, exclusive in consumption, future orientation, and responsibility(Kaiser & Menkhoff, 2020).

The financial Attitude is a disciplined pattern of how a person manages his money. Financial Attitude can be a determinant for the success or failure of an individual in terms of finances. A person must have discipline in taking an attitude towards money so that mistakes do not occur. The field must be formed from childhood so that it is accustomed to taking an excellent financial attitude. Attitudes towards money are the point of view or behavior of an individual towards money. Individual attitudes towards money are influenced by experience, financial education, social status, socio-economic environment, and family. Understanding people's attitudes towards money is important because it can determine an individual's money behavior.

3. Method

This study uses factor analysis to rank the most important factors given to students to improve financial literacy, so that these aspects can improve their ability to manage finances. Samples were taken at several secondary schools that could provide a representation of the population in Indonesia. This representation illustrates that there are schools with good accreditation and are not yet accredited, so the quality of the schools varies. The total sample that is eligible to be tested is 146 respondents with varying ages ranging from 15-17 years. The data collection is conducted when they have graduated, the reason is student is completed receive financial education. The sampling method is that the researcher gives a questionnaire to students that contains the most important factors for increasing financial literacy (Hair et al., 2010), then the students fill out the questionnaire with a Likert scale. The factors referred to are knowledge of saving, insurance, stocks, financial management, expense management, consumption, general financial education, lending money, and borrowing money. The results of the questionnaire were tested using CFA through SPSS.

4. Result and Discussion

The KMO and Bartlett's Test results show that it meets the rules, namely by showing a significant value with a KMO value of 0.820. These results indicate that 146 samples are used as data in factor analysis.

Table 1. KMO and Bartlett's Test Result

KMO and Bartlett's Test ^a		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.820
Approx. Chi-Square		868.04
Bartlett's Test of Sphericity	df	6
	Sig.	.000

Factor analysis considers several aspects that can be prioritized in determining financial literacy in order of the most important knowledge sharing.

Table 2. Anti-Image Test Result

Saving	.879 ^a	-.413	-.240	-.248	-.176	-.008	.007	.008	-.047
Insurance	-.413	.885 ^a	.113	-.039	-.168	-.104	.037	-.071	-.074
Stock	-.240	.113	.731 ^a	-.298	.138	-.647	-.121	.071	.142
Moneymanagemen	-.248	-.039	-.298	.902 ^a	-.131	.119	-.011	-.122	-.026

Spending	-.176	-.168	.138	-.131	.924 ^a	-.163	.024	-.125	-.080
Consumption	-.008	-.104	-.647	.119	-.163	.791 ^a	.131	-.168	-.178
Financialeducation	.007	.037	-.121	-.011	.024	.131	.725 ^a	-.272	-.896
Lendingmoney	.008	-.071	.071	-.122	-.125	-.168	-.272	.925 ^a	.084
Borrowmoney	-.047	-.074	.142	-.026	-.080	-.178	-.896	.084	.737 ^a

Based on the results of the eigenvalue test, it can be seen that the most important factor is factor 1, while factor 2 is quite influential in increasing knowledge of financial liabilities. Table 3. Eigenvalue Result

Initial Eigenvalues ^a			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
2.044	54.498	54.498	4.914	54.604	54.604	3.194	35.486	35.486
.450	12.006	66.504	1.166	12.957	67.561	2.887	32.075	67.561
.346	9.236	75.740						
.270	7.189	82.928						
.232	6.181	89.110						
.181	4.817	93.926						
.124	3.318	97.244						
.084	2.253	99.497						
.019	.503	100.000						

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Table 4. Rotated Component Matrix Result

Factor	Component 1	Component 2
Saving	.448	.698
Insurance	.560	.471
Stock	.077	.887
Moneymanagement	.346	.703
Spending	.636	.387
Consumption	.281	.780
Financialeducation	.875	.181
Lendingmoney	.733	.258
Borrowmoney	.875	.197

The first factor consists of several components: expenditure, financial education, lending money and borrowing money, and translation. Expenditures are all expenses that arise as a result of a purchase. When students make purchases, some costs must be borne and paid. The ability to manage expenses, namely determining the priority scale, is an important aspect to reduce the burden of spending on goods that are not needed. In the initial phase, students need to be explained about the priority scale that can be done by the school or parents. This ability can be done in stages so that it can be perfectly accepted and understood.

Saving is a part of people's income that is not used for consumption. People who have an income higher than their consumption needs will have the opportunity to save. Investment is a part of savings used for economic activity to produce goods and services to make a profit. Students can use financial management to learn in-depth about financial management when students can understand well how to manage income with expenses, so this can encourage effective and efficient management where financial management can be used by students so that they can know the priorities that must be issued to consume when consumption is done on a certain scale, it can

encourage the effectiveness of expenditures made when students do not know in detail the expenditures that must be done so that it can promote extravagant living behavior, the visual ability to ask for their finances to be used optimally is a component that effective which can be used so that students in the future have a provision of knowledge that can be used when they have their income.

The ability of students to find suitable investments can encourage accuracy in investing. Although, therefore, knowledge about how to invest is an important aspect, both given by parents and schools, the existence of financial literacy in the investment sector can be used by students so that it can be used to invest. Investment in financial instruments students can choose instruments in the form of stocks or savings to make an appropriate investment in these instruments has weaknesses and advantages that can be adjusted to the risk management owned by each student, each individual can have a plan relating to financial investment to encourage knowledge that understands good management.

Financial literacy about lending money is an integral part of financial education. To lend money to other people, a student needs to analyze the needs and duration of time required by the borrower to return the money. Urgent needs or not, if you have urgent needs, then someone does not need to lend money to other people if they have long-term needs, then it can be considered to provide loans. The analysis results are a form of self-reflection on financial management and the management needed to analyze money borrowing if the process can be done properly, it can provide the knowledge both in terms of cognitive and psychomotor to students in managing money borrowing money is a form. The process of transferring rights and responsibilities to other people regarding the ownership of the money concerned. Lending money is a form of agreement to return money in the future accompanied by a certain amount of time required to return. The money is one aspect that needs to be considered regarding the side positive or negative. If someone is deemed able to return the money, it can be regarded as to provide a loan. However, if not, students need to reconsider the process of providing loans to other people.

The process for borrowing money is one form or effort about the steps needed to be able to consume directly. If someone does not have money directly, it can be considered to make loans to other people or to financial institutions. If someone borrows from an institution, then there are administrative costs as well as interest that must be paid for the interest payment considering the time period needed to return the money concerned, the longer the longer the interest that must be returned to the financial institution, the duration is one of the important components to be able to determine the amount of interest needed to be returned to the financial institution should not be. Therefore financial literacy can provide knowledge to students so that it can be known the ideal timeframe for can borrow money and is related to the feasibility of being able to return the borrowed money, therefore financial literacy can be given to students both to parents and schools regarding the financial knowledge possessed by students.

Financial literacy is an important component so that based on these aspects it can encourage an understanding of financial management through financial education from an early age can provide a comprehensive understanding of good management financial education is included in Category I along with education on how to be able to manage money. As well as spending on these efforts is a form of financial literacy education from an early age so that it can provide a deep understanding when financial management can be given at the beginning of education so this can provide knowledge that can be used in the future the process cannot work in one period of time but carried out in stages both through family and formal education in schools and higher education these processes through levels that can be carried out in various stages of the process of ever. It can be safe through cognitive processes, where students know deeply about financial literacy, this understanding is a provision that can be used to comprehend comprehensively through action. This means that with the education that can provide understanding in the form of knowledge, it can be applied when students have obtained personal income and can be used when spending the money.

The process analysis for spending money based on the factor analysis that has been used as it is known that factor analysis contains the steps needed to view how much should be saved or invested. One factor in the form of insurance that can be considered one of the insurance expenses is a step Safe is needed to be able to ensure and guarantee. If something happens that is not desired. Therefore insurance is an important component in the financial sector. Other expenses in the form of consumption both in the short and long term are should be considered through literacy. Financial literacy provides a comprehensive understanding of financial expenditures made by students. Students can find out well then through financial literacy is a form that can be used. use by students to make decisions in the short and long term about the consumption to be purchased. Financial knowledge, especially in high school student financial literacy, can have implications for the use of pocket money provided by parents so that parents can provide an allowance that can be saved by students who

acquire school financial literacy can provide an important role so as to provide strengthening of financial literacy that parents have given

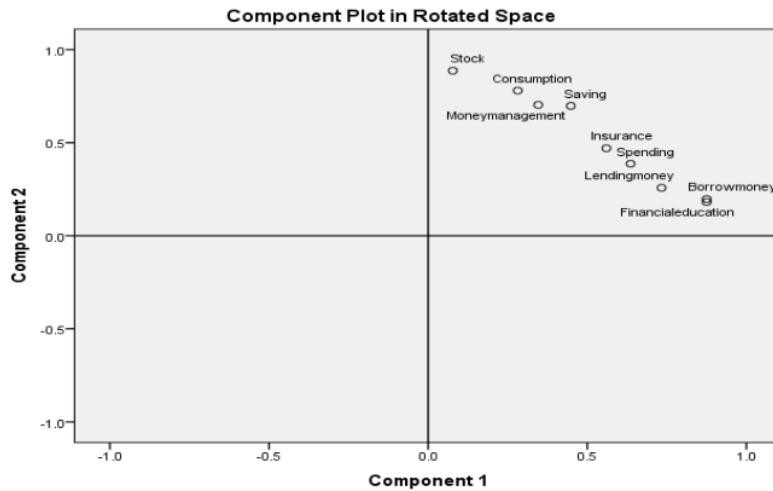


Figure 1. Factor Mapping

8. Conclusion

Complete financial literacy for Senior High Schools and their families is a form of educating their students to understand financial management. Therefore, the factors related to spending can implement optimally. This research explains and organizes the most important factor to literate financial education for student. This research can conclude that several factors need to be considered to give high school students about financial literacy. These factors have several sequences that need to be considered. The first is savings when a student can save so this is a milestone that can be used in the future so that the savings are advantageous to be used for beneficial consumption. In addition, insurance can be used to prevent and respond to action in the future. There is a form of investment with stock management that can be given to students to understand investing. Financial management can have implications for knowledge about how to spend money and priorities for consuming financial education is one of the factors that can be used to buy money. Provide an understanding of borrowing and lending money so that it can have implications for knowledge and practice in both cognitive and psychomotor forms

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