

The Meaning of Economic Literacy for Women Entrepreneur

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Abstract—This study has the aims to understand the meaning of economic literacy for women entrepreneurs. Transcendental phenomenology is used in discovering the meaning and nature of the interviewee's life experiences. The results revealed that the meaning of economic literacy for women entrepreneurs is the intelligence to manage economic resources in making every economic decision. Entrepreneur women can set priorities in meeting the daily needs of the household. Managing income and expenditure effectively and efficiently is an effort to meet unexpected needs, economical and realistic behavior in the economy. Women's understanding of economic literacy provides an example of good economic behavior in terms of frugal behavior and simple behavior so that they are able to use their economic resources wisely.

Keywords—*Economic Literacy, Needs, Women Entrepreneurs.*

I INTRODUCTION

Daily economic activity requires making the right economic decisions for everyone. Spending the value of an item requires accuracy and policies that are tailored to the income it has. Someone spending an amount of money to obtain goods or services requires understanding in making choices. This is important because each person has a different economic insight in using their economic resources. The decision to determine the items purchased is adjusted to the money they have, not just for a moment's taste and interest. Economic literacy determines intelligence in determining the choice of needs that are met, so that the right decisions are taken. Anxiety in making economic decisions is obtained when the individual has educational knowledge in the field. Gleason & Scyoc

(1995), Walstad & Rebeck (2002) and Wood & Doyle (2002) revealed that individual education levels have a positive influence on their economic literacy. In line with Monticone (2010) that the highest level of education is generally associated with a higher level of financial knowledge. Education in the economic field is not only through formal education, but informal and non-formal education can be pursued in enriching and deepening information about economic literacy. Economic insight is used every day, especially in meeting the needs for individual welfare.

Everyone has different needs and desires, but sometimes they are difficult to touch those needs and desires, therefore it takes intelligent economic literacy to make choices in fulfillment. In this case an understanding is needed in making financial decisions, because everyone has different decisions. Financial literacy is understood as an economic concept that is used to evaluate financial situations and make good financial decisions (Pang, 2010).

The attempt in meeting the needs of every individual in daily activities requires basic knowledge and insight in the field of economics to achieve welfare. Economic information is important in considering smarter satisfaction of needs. The decision to manage the resources owned requires economic literacy in economic behavior since not everyone can use the income obtained wisely. If the expenditure obtained is greater than income, it will certainly cause difficulties in financial management. Thus economic literacy is needed to deal with economic problems in each individual, so that the ability to make economic decisions is appropriate and

useful. Dilek, et al (2018) economic literacy is important because it is considered to help people to make more effective decisions. Similarly, Jappelli (2010) stated that economic literacy is important for making decisions about how to invest appropriately. Economic literacy is very important because economic problems become daily problems, especially for parents in the family (Redmud, 2010). Similarly, the opinion of Akhan (2013) emphasized the importance of economic literacy training for individuals.

Family economic resources owned will be easier to manage if everyone has good economic literacy. Someone is able to regulate every income earned to meet other needs and expenses. With the help of economic literacy, individuals can increase their ability to act as rational economic agents in society (Yayar & Karaca, 2017). This supports the opinion (Jappelli, 2009) that is an indicator of human capital positively correlated with economic literacy. With an understanding of economic literacy, it can be used as a guide in making the right economic decisions.

Determination of economic needs in the family is usually done by women who spend some money. Housewives have more opportunities for household financial management, so it needs policies in managing all priority needs that must be met. Business woman, in this case an entrepreneur have more economic knowledge in managing household finances and business finances. It happens because besides spending money they also know the difficulty of getting money to spend. Entrepreneur women will think first by considering whether the needs are important or they can still be postponed before making the final decision to spend money. With these considerations, they can minimize the wrong decision making. However, it is usually when following a desire for a moment will ignore the rational attitude in determining consumption choices.

Entrepreneurs in producing goods or services are doing their business independently, in line with Baswori (2016) who stated that entrepreneurs with all the capabilities they have do their own business. Entrepreneurs have the talent to create innovative products so that behavior is offered to consumers. This is in line with Slamet, et al (2016) that entrepreneurs dare to start new things. The ability to manage a business with full responsibility so that the

expected results are in accordance with the targets set at the beginning of the activity. Personality factors become important things that must be owned by entrepreneurs Zain, et al. (2010). Research (Kabote, 2018) also reveals that women entrepreneurs who have different socio-economic and demographic characteristics can affect personal well-being. The welfare of each person will certainly have a positive impact on a country's economy. A competitive national economy that is closely linked to innovation policies emphasizes women's entrepreneurship (Jageroand Kushoka, 2011; Johnstone and Lionais, 2004). This becomes a guideline in exploring every potential of women entrepreneurs in order to improve the economy.

Women and men have the same opportunity to become successful entrepreneurs. They can do business either home-based business or open a business outside the home with the aim of obtaining maximum profit. Thus more and more women entrepreneurs are trying to explore their potential so that it can have an impact on the environment family, community and country. From this explanation, it is necessary to study the meaning of economic literacy for women entrepreneurs.

II METHODOLOGY

This research uses transcendental phenomenology to find the meaning and nature of the life experience of the interviewed informant (Creswell, 2014: 110); Triyuwono et al, (2016: 182); Indrayani & Musmini (2016); Musmini & Sirajudin (2016), which included qualitative research (Moleong, 2012: 6). Entrepreneur women provide their views on economic literacy that is important in carrying out economic activities. The information provided varies so that there is a need for meaning for each phrase so that it is more meaningful.

III RESULTS AND DISCUSSION

Economic literacy has various significance for every woman entrepreneur. Following are the expressions of a number of women entrepreneurs who consider that the economic literacy they have can provide insights in meeting their needs. Here's the phrase:

"when meeting the needs of financial management, I put aside things

that are not necessary, and only buying things that are necessary".

"I get a profit, then use that profit as well as possible so that it is not wasteful in meeting needs".

"In meeting my needs by buying things that are necessary for life, not buying things that are wanted".

"I divide the income to buy what is really needed and not what is desired".

"I prioritize the needs that are really needed".

This means managing the fulfillment of important needs and delaying non-urgent needs. Prioritize needs that are truly needed. By knowing the types of needs, women entrepreneurs can make a list of primary needs in advance to be met. Entrepreneur women are able to distinguish between needs and desires. Meeting the needs of women entrepreneurs is selective and with careful thought. Needs are met based on priorities that have been planned so that the money used is indeed for needs that are nature must be met.

Entrepreneur women also think that having economic literacy generates saving behavior using the income they generate. The following explanation:

"I minimize expenses that are only for temporary enjoyment, do not buy goods that are to be exhibited and spend income as needed".

"An entrepreneur must always manage his finances by saving expenses and will not go over the limit from the available budget".

"I must always manage my finances by saving expenses, controlling what needs to be bought and what is unnecessary".

"I live frugally by using money for things that are needed but not what I want. Although having a lot of income, I will not make a lot of expenses anyway. Spending remains the same as when income was small".

"reserving what I do by saving a little profit so that it does not all run out, buying important items instead spoiling my desire on every shopping".

"My frugal life began with a disciplined habit of saving. By saving some money, I will have a backup for the future".

This expression means that the income obtained is only for important needs. By saving and managing which finances are

worth buying and which are not worth buying, try not to buy things that we don't need at all. Entrepreneur women prioritize needs beyond their desires so that expenditure can be kept to a minimum. Another way is to set aside a portion of the profits by buying goods as needed only, preferring the needs not wants. A form of frugal living habits is self-control when wanting goods that are not actually a necessity. Set aside some of the income earned as protection in the future.

Knowledge about economic literacy can also provide understanding in managing the income and expenditure of women entrepreneurs. The opinions of each entrepreneur woman are as follows:

"I make plans in managing income and expenses so that expenses do not exceed income".

"Important point requires that income must exceed expenses, I can manage the path of entry and exit of money by using financial records so that I can clearly know how much business assets I have, how much profit and so forth, so I know the development of the business that I founded".

"I made a special book to manage all income and expenses, so that it can be well organized".

"I design expenses based on the average net income each month, and separate accounts for operational costs of life, savings, and investments."

"I am disciplined in administration, which is by recording every expenditure and income in a transparent manner, managing income by expanding or developing and adding to the production of the business owned, and in terms of expenses I have to be able to maintain my finances and do not step out of the budget".

From this opinion, women entrepreneurs have a record of expenditure and income to be controlled. This note can monitor the use of money to fit the planned needs. Meeting the needs based on priority scale is important to be done more sparingly to manage finances. The income earned in this form of money can be used according to its function. The earliest thing to do is to shop for transactions to meet daily needs, financial allocation for urgent needs and to use money for investment.

Economic literacy also provides an understanding for women entrepreneurs to manage their economic resources. Here are the opinions of some women entrepreneurs:

"I must be able to utilize the available resources, both skills, raw materials and so on to find innovations and process raw materials appropriately".

"Talking about economic resources is certainly inseparable from the name of money, when we have money can be used to invest in the form of land and deposits, so that the money we have we will not use arbitrarily or for a moment of pleasure".

"My way if you have enough money should be used to invest because investment will help us someday. By investing, the money we have will be rewarded. "

"Managing economic resources by improving employee work skills and motivation, utilizing raw materials appropriately and investing capital appropriately have a good impact on the progress of my business going forward".

"on my way, I make maximum use of raw materials that can still be used and provide job training to employees so they have better skills.

It is good to be able to manage economic resources by balancing available economic resources with needs and desires and efforts to save from unused income. With limited economic resources, the use must be effective in accordance with the allocation.

Entrepreneur women gave opinions on the importance of economic literacy in life. The expressions made during the interview with several informants are as follows:

"By having extensive economic literacy, I can have careful planning for business, clear goals, action that is not half-measures, no having shy thinking and fear of loss, so I will be ready to take the business competition that continues to increase every year" .

"Having extensive economic literacy will help to find out the economic development that is happening in the community, knowing what the community's needs are, as well as know the promising business opportunities so that I can plan precisely what must be done for business progress".

"Economic literacy, for me means, being able to turn money and brains into business which can go global. It has the goal that insignificant initial capital can generate extraordinary profits and can build new branches that can help the community in getting jobs".

"Economic literacy is needed for the smooth running of a business that I live in. By

knowing literacy about the economy, I will be able to manage income and expenses regularly, managing the human resources (HR) that he has so that the HR has the skills and will make products that are made better and the HR will work effectively and efficiently ".

"The importance of economic literacy for me is to develop a business with owned literacy is the initial capital for future business progress".

This interview provides an understanding that economic literacy is very important to support the various occupations that are occupied. Knowing economic development and business opportunities are really needed by the community. Having broad economic literacy and long-term vision, with extensive knowledge, it can form strategies in dealing with challenges that may arise, helping in entrepreneurial activities. Arranging all aspects owned to be a pillar for future business development by utilizing available opportunities. Appropriate business management of the business that is run so that it can be useful in future business expansion.

The results revealed that the meaning of economic literacy for women entrepreneurs is the intelligence to manage economic resources in making every economic decision. This is consistent with the opinion of Dilek, et al (2018) which stated that economic literacy is important because it is considered to help people to make more effective decisions. Entrepreneur women can set priorities in meeting the daily needs of the household. They act rationally in determining the primary, secondary and tertiary needs that are prioritized to be met. These actions are in line (Yayar & Karaca, 2017) which suggested that individuals increase their ability to act as rational economic agents through economic literacy. Manage income and expenditure effectively and efficiently in an effort to meet unexpected needs, economical and realistic behavior in the economy. Using the income earned for future investments is also carried out by several women entrepreneurs. This is supported by Jappelli (2010) stating that economic literacy is important for making decisions about how to invest appropriately. Women's understanding of economic literacy provides an example of good economic behavior in terms of frugal behavior and simple behavior so that they are able to use its economic resources wisely.

IV CONCLUSIONS

The meaning of economic literacy for women entrepreneurs is the intelligence to manage economic resources, regulate the priority scale of needs, managing income and expenditure effectively and efficiently, economical and realistic behavior in the economy.

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