

Fintech Utilization and Student Investing Decision (Case study: Economic Faculty, Universitas Negeri Padang)

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ABSTRACT

Financial technology is an innovation of financial service that is trending now. Financial technology influenced community widely by providing access to financial product, so the transaction become more practically and effective. The higher number of people who use digital based financial service will support the achievement inclusive financial implementation. The availability of extensive financial services give people easily to accessing financial products and services. The composition and penetration of internet users in Indonesia are dominated by the younger generation including students. This study aims to investigate how the student use financial technology and how they make their decision to invest their financial resources. The questioners were distributed to economic faculty student in Universitas Negeri Padang. Based on the observation we get the information about the financial technology utilization and decision to investing of the students.

Keywords: *Financial Technology, Decision to investing*

1. INTRODUCTION

This era all of activities were conducted by technology. People can use their smart phone or computer to run their activities and fulfill their needs. Based on APJII data from 2014 there are 132,7 million peoples were connected to internet in Indonesia. This situation occurred because of infrastructure development and getting the smart phone easily.

The increasing of internet user encourage the company to update their technology to fulfil the customer needs, especially financial company. People need the easy and efficient financial service. It will be achieved by sophisticated financial technology. According to Bank Indonesia, financial technology is a combination of financial service and technology which change the conventional to moderate business model. It means people should not bring their money for transaction and they also should not come to the company for transaction. Financial technology offer the cashless payment.

Financial technology is the implementation and utilization of technology for improvement banking and financial service, it generally carried out by start up companies by utilizing software, internet, communication, and computing technology (Meline.2018). Financial technology is not substitute but a complement of existing financial system.

Nurdiana research showed that people use e money (one of financial technology) because of the prestige factor shown by people others who use e-money. This conditions attract the other consumers, so they are impressed to trying e-money (Nurdiana.2018). Different generation have different way to use financial technology. Based on APJII data internet user based on age are dominated by residents aged 19-34 years which is 49.52% or 74.2% of the total population, but the residents aged 19-34 years have bad behavior in term of financial management. LendEDU conducted survey which the result is

49% of the residents aged 19-37 years more consumptive than invest their money.

This study focused to student behavior to use financial technology and how they make their decision to invest their financial resources. The economic students in Universitas Negeri Padang 17-24 years old. So through this study we can analyse the utilization of financial technology and investing decision of them.

2. METHODS

This study use descriptive analysis design to investigate how the student use financial technology and invest their financial resources. This study use primary and secondary data. The primary data is observation trough questioner which have filled by the respondents. The respondents are the economic students at Universitas Negeri Padang. The secondary data is journal and books which related to this topic.

The sample of this study is 108 students. The sample is the student of economic faculty at Universitas Negeri Padang. In economic faculty there 4 department, they are Management, Accounting, Ecomics, and Economic education. The 108 students are among of 4 department.

3. RESULTS AND DISCUSSION

Based on survey, most of filled the questioner is female, that's describe in figure 1 below:

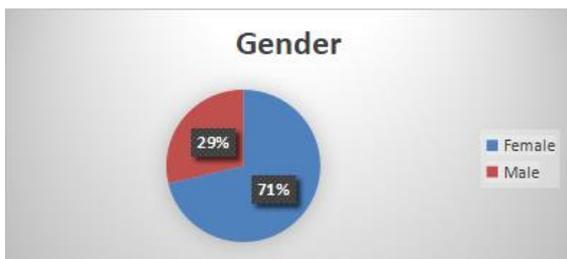


Figure 1. Gender

The research was conducted on the faculty of economics students at Universitas Negeri Padang which was conducted randomly with 108 respondents consisting of 77 women or 71% and 31 men or 29%.

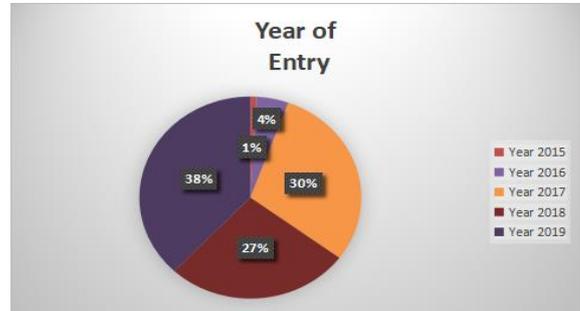


Figure 2. Year of entry

This research was filled by students who entry at 2015 to 2019.108 respondents who filled out the questionnaire, there were 1% entry at 2015, 4% entry at 2016, 30% entry at 2017, 27% entry on 2018, and 38% entry at 2019.

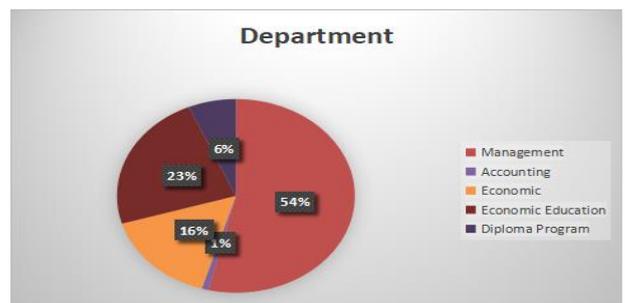


Figure 3. Department

Furthermore, in terms of department, as much as 54% is management department, 1% of the accounting department, 16% is department of economics, 23% is department of economic education, and as many as 6% is diploma programs.

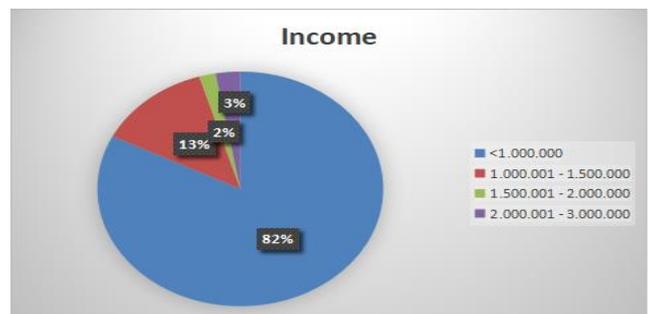


Figure 4. Income

In terms of income, there are 82% who have an income less than Rp. 1,000,000 , as much as 13% have an income Rp. 1,000,000 - Rp 1,500.0000, as much as 2% have an income Rp 1,500,000 up to Rp 2,000,000, and as much as 3% which has an income Rp 2,000,000 - Rp 3,000,000.

The data above is the biodata of the respondents, and for the furthermore this data provides information about the use of fintech and the investment behavior of the respondent. After recorded data on knowledge of fintech, it was obtained that from the total number of respondents, 75% have knowledge about fintech

and as many as 25% still did not understand what fintech was.

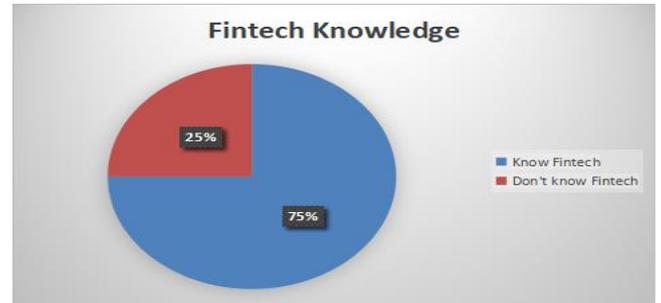


Figure 5. Fintech knowledge

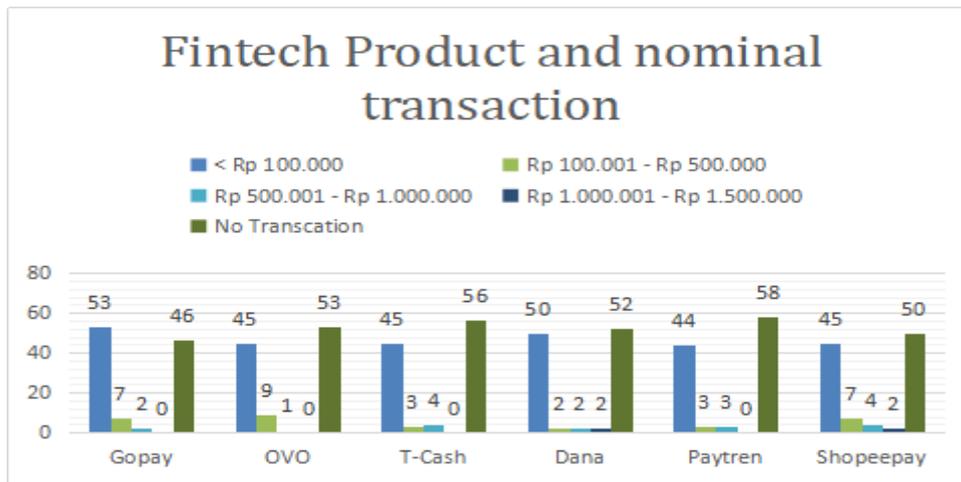


Figure 6. Fintech product

Based on the survey results, figure as above, which shows that there are 6 types of fintech products used in general by students, namely gopay, ovo, T-cash, funds, pytren and shopeepay. The the highest fintech products which do not use by student is paytren there are 58 students, it means only 50 students use this type of fintech product and The most nominal is under Rp. 1,000,000.

The type of fintech that is most widely used by students or the least number of students who do not use it is gopay, there are 46 students who do not use gopay and the most nominal in using gopay is also under Rp 1,000,000. Whereas those who don't use ovo is 53 students,don't use t-cash

is 56 students, don't use dana is 52 students, and don't use shopeepay is 50 students.

Based on previous research Hutabarat (2018) found a positive and significant effect between financial technology and financial inclusion. Sugiarti et al. (2019) has also conducted research on the role of fintech in increasing financial literacy in micro, small and medium businesses in Malang, where research shows that fintech has a very important role in MSMEs in Malang, from interviews showing that MSME entrepreneurs in Malang feel that they have a lot of positive impacts with fintech and increase financial literacy. This study the authors only examined descriptively the fintech utilization of economic

faculty students. The researcher didn't examined the correlation fintech and other variables.

In a previous study Samuel (2019) stated that the behavior of using fintech products in millennial generation did not have a significant

effect on decision investing. In this study we do not see the effect of fintech to investing decision, but we try to describe the phenomena about fintech utilization and investing decision economic faculty students.

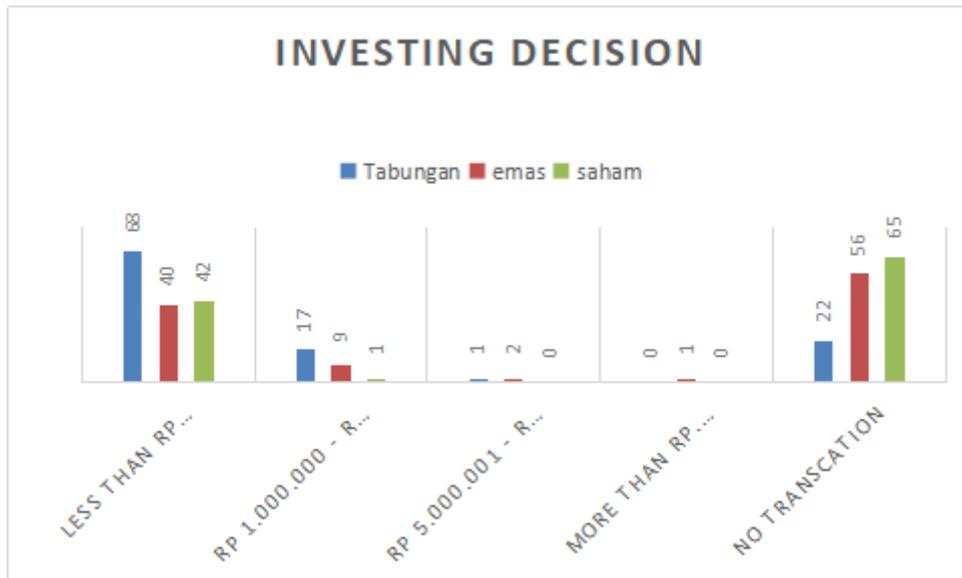


Figure 7. Investing decision

Based on the survey results, many students decide not to invest in shares, where there are 65 students who do not invest in these shares, while the students who do not invest in savings is only 22 students . There are 56 students who did not invest in gold. But the biggest nominal transaction in investing decision is investment in shares. There are several students who invest in shares more than Rp 10,000,000.

4. CONCLUSIONS

After conducting this research we can conclude that:

1. Not all students have knowledge about financial technology
2. Goopay is the most widely fintech product used by students, where Gopay is a payment for transportation, buying food and buying credit of cellular.
3. The great demand investing decision of economic students is savings, many students invest by savings, but with a small nominal value

4. Student chooses to invest large amounts of funds in stock investments, which of the three investments. The most nominal is more than Rp 10,000,000

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