

Analysis of Factors Influencing Financial Literacy of Accounting Education Students of Universitas Muhammadiyah Surakarta

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ABSTRACT

Financial literacy is a person's ability to manage finances for each individual to avoid financial problems. This research aims to describe the level of financial literacy of accounting education students of the Universitas Muhammadiyah Surakarta. Aspects studied are knowledge of personal finance, savings and loans, insurance and investments. Respondents of this study are 140 active students at the Universitas Muhammadiyah Surakarta (UMS). The methods used in this study are descriptive quantitative research and multiple regression analysis. The results show that student financial literacy is influenced by factors in the form of gender, while the factors of generation, GPA, residence, and allowance do not have a significant influence on the financial literacy of accounting education students.

Keywords: Financial Literacy, Gender, Class, GPA, Residence, Allowance.

1. INTRODUCTION

A person needs to understand how to manage finances so that they do not make bad financial judgments. Individual losses are caused by a lack of financial expertise as the economic system develops. Nidar and Bestari (2012) state that if the public understands the financial system, the community's economy will not have an impact on the global financial crisis. Many people suffer financial losses due to poor judgment, such as inefficient spending and use, reckless use of credit cards, and a mismatch between purchase credits and bank deposits. Lack of financial awareness also makes it difficult to invest and enter the finance profession.

Students generally have the opportunity to determine their personal needs in financial matters. When students are ready to live independently and have families, they face financial difficulties. Chen and Volpe (1998) showed in their study that students with low financial literacy skills had poor financial judgments and made several inappropriate choices. Through financial education, students can make important decisions and take responsibility for their own behavior. According to Krishna et al. (2010), Financial literacy is a basic need in managing finances for every individual to avoid financial problems. The level of individual financial literacy can be shown from the ability to use financial assets and resources owned for security in the future. By

knowing financial literacy, a person can get a good and prosperous life.

Gender, class, cumulative achievement index (GPA), place of residence, and allowance are all characteristics that can affect financial literacy. Previous research has found that gender has an impact on financial literacy because female and male students have different perspectives on how to manage money. The class or year of entry shows that the longer a student can take his studies, the better his financial literacy will be. Students with high normal scores are better at managing their funds, according to the cumulative grade point average. The financial knowledge of students living alone is higher than that of students living with parents, depending on where they live. Student allowances may have an impact on their financial management skills. People have different opinions that gender and place of residence have no impact on financial literacy (Radityas & Pustikaningsih, 2019). Meanwhile, Egesta et al. (2021) found that gender and allowance had a small effect on student financial literacy.

Christina and Wijaya (2021) define financial literacy as a factor that is closely related to the economy, both individually and collectively. A country that has succeeded in maintaining overall economic stability has a good understanding and application of financial literacy. Financial literacy is a procedure that assesses a

person's ability to understand and apply financial concepts to improve financial management.

Financial literacy is a basic need, according to Radityas and Pustikaningsih (2019), in the form of knowledge and competence to manage finances, they can make the best financial decisions and prevent financial difficulties. Financial literacy is also described as the capacity to make informed decisions and make effective choices about cash utilization and management (Mardiana & Rochmawati, 2020). According to Thapa (2015), students have a rudimentary understanding of finance. However, in general, students' financial literacy is influenced by various factors, including their demographics, education, and character. Most individuals who are in financial difficulty are not because of their few possessions but because they are less precise in allocating their assets with money. Individuals whose financial literacy is low can cause them to be less wise in allocating their financial assets. Understanding of high financial literacy affects knowledge of managing finances. Overall literacy understanding is the ability to read, analyze, manage, and convey his personal financial records and have an impact on his financial well-being. Therefore, each individual needs to have intelligence in managing individual finances so that they can help make accurate decisions.

Financial literacy is a factor that is closely related to the economy, both individually and collectively. A country that has excelled in maintaining overall economic stability masters a comprehensive understanding and uses financial literacy. Financial literacy, according to Financial Services Authority (OJK) (2013), provides an understanding of the advantages and consequences of financial goods and services, as well as several other advantages for the financial services industry. The monetary foundation and society are mutually beneficial. As a result, the higher the monetary education in the local area, the more financial goods and services are used. The Financial Services Authority (OJK) through the third National Survey of Financial Literacy and Inclusion (SNLIK) from 2019, revealed that financial literacy was at 38.03% and financial consolidation was at 76.19%. The result of the 2016 OJK study, especially the monetary proficiency accounting report, was 29.7% and the financial inclusion index was 67.8%, inversely proportional to this number. Financial literacy increased 8.33% in the last three years, while access to financial products and services (financial inclusion) increased 8.39%. The review of the 2019 National Survey of Financial Literacy and Inclusion (SNLIK) received responses from 12,773 people in 34 regions and 67 urban/local areas (Financial Services Authority, 2019).

Young people are still inexperienced in financial matters. Meanwhile, young people need to be financially literate to have a good future. The number of young people in Indonesia now reaches 24% of the total population or 64 million people. However, many young

people are still financially vulnerable. This is evidenced by the lack of financial planning and management capabilities. Only 10.7% of youth income is set aside. Only 35.1% of young people owned their own homes at that time. Meanwhile, 51.1% of youth income is spent on monthly expenses (Siringoringo, 2020).

Financial insight, generally, knowledge about managing financial resources, and the ability to handle personal finances is one of the insights that students must have today. Financial planning is a process to achieve life goals, financial literacy is an understanding of how to manage money. For some people, life becomes difficult and sometimes impossible without proper financial preparation. Furthermore, individuals are required to maximize the value of their assets by implementing good financial planning. As a result, individuals must have some knowledge as well as the capacity to successfully manage their own money to be healthy.

The authors are encouraged to conduct more in-depth research based on the previous explanation; therefore, the title of this research is "Analysis of Factors Influencing Financial Literacy of Accounting Education Students of Universitas Muhammadiyah Surakarta". The purpose of this study is to understand how gender differences influence financial literacy, how class influences financial literacy, how the Grade Point Average (GPA) influences financial literacy, how residence influences financial literacy, and how allowance affects financial literacy.

2. RESEARCH METHOD

This research applied descriptive quantitative research, namely research that examines data by defining or characterizing the data obtained in the current state. A survey using a questionnaire was used as the research method. Accounting education students at Universitas Muhammadiyah Surakarta class or entry year in 2018 and 2019 became the research population. This study observed 140 students. The independent variable is a variable that affects other factors such as gender, class, Grade Point Average (GPA), place of residence, and allowance used in this experiment. There is also a dependent variable literacy financial. Research tools are used to determine the value of the investigated variables. The experimental tools carried out are designed to obtain precise quantitative data. Researchers used a questionnaire in this study. Researchers provide a measuring scale for each statement in the questionnaire.

Gender, class, Grade Point Average (GPA), place of residence, and allowance affect the financial literacy of accounting education students at Universitas Muhammadiyah Surakarta, descriptive analysis and multiple linear regression were used in this study. The purpose of this descriptive study is to present an overview of gender, class, Grade Point Average (GPA), place of residence, and allowance for accounting education students at the Faculty of Teacher Training

and Education, Universitas Muhammadiyah Surakarta. The data seen is the amount of data and percentage. Multiple regression analysis is a statistical method to determine the effect of two or more independent variables on the dependent variable. According to Yuliara (2016), the multiple linear regression test is very effective to see the effect of the quality and quantity of the independent variable on the dependent variable at the same time. The independent variables and the results of the dependent variable model can be used as guidelines for predicting the relationship between variables in the community outside of the sample data. Before making multiple regression analysis for the assumption test, it was found that several conditions must be met, namely the data are normally distributed so that a normality test is needed, a linear relationship so that a linearity test is needed, the independent variables must be uncorrelated so that there is a need for a multi-linearity test, and the data must not be heteroscedasticity, so that a heteroscedasticity test is needed.

3. RESULTS AND DISCUSSION

3.1 Results

The purpose of this study is to determine the level of student financial literacy. The population was accounting education study program students at Universitas Muhammadiyah Surakarta class 2018 and 2019. The results of filling out the questionnaire distributed in the population show the level of student financial knowledge. This experiment observed 140 students.

3.2 Discussion

3.2.1 Descriptive Analysis

Descriptive analysis is a form of analysis in which data is compiled or collected, then analyzed and explained objectively. Gender (X1), class (X2), grade point average (X3), place of residence (X4), and allowance (X5) are the independent variables in this study, while financial literacy (Y) is the dependent variable. The purpose of this study is to see how the influence of gender, class, grade point average (GPA), place of residence, and allowance on financial literacy on accounting education students class 2018 and 2019 at Muhammadiyah University Surakarta. The following table shows the results of descriptive statistical analysis:

Table 1. Descriptive Analysis

Variables		Frequenc y	Perce nt	Valid Perce nt
Gender	Female	122	87,1	87,1
	Male	18	12,9	12,9

	Total	140	100	100
Class	2018	122	87,1	87,1
	2019	18	12,9	12,9
	Total	140	100	100
GPA	< 3.00	14	10,0	10,0
	> 3.00	126	90,0	90,0
	Total	140	100	100
Place of Residence	Parent's house	32	22,9	22,9
	Boarding house /rented/dormitorie s	108	77,1	77,1
	Total	140	100	100
Allowan ce	< Rp 1.500.00 0	87	62,1	62,1
	> Rp 1.500.00 0 – Rp 2.000.00 0	38	27,1	27,1
	> Rp 2.000.00 0	15	10,7	10,7
	Total	140	100	100

Source: The Result of Primary Data Processing (2021)

The number of female and male sample populations is very different, based on the results of descriptive analysis of variables such as gender, class, GPA, place of residence, and allowance used in this study. The number of female respondents was 122 people, while the number of male respondents was 18 people. Most respondents in this survey were students of accounting education class 2018 as many as 122 people with the number of GPA of >3.00 is 126 people, the number of students living in boarding houses/rented/dormitories is 108 people, and the number of student allowances of <Rp 1,500,000 every month is 87 people.

3.2.1.1 *The Influence of Gender (X1) on Financial Literacy of Accounting Education Students 2018-2019 (Y)*

The first hypothesis was accepted because the results of the test revealed that gender affected the level of financial knowledge of accounting education students in 2018-2019. This shows that college and university students have different perspectives on financial

information. When it comes to money management, students have a different perspective. Descriptive analysis reveals that the number of female students exceeds the number of male students. In terms of financial literacy, female students have a descriptive effect. And, although there are fewer male students, males have limited influence, according to statistics. This finding is supported by an experiment conducted by Nababan and Sadalia (2012) which found that male students have strong financial knowledge, while female students have personal financial literacy which is below the total average.

Accounting education students must master financial terminology, financial management techniques, and financial products, and have acquired significant financial knowledge during their studies. So, although women are superior, the general understanding of finance, savings and loans, insurance, and investment remains the same. At Universitas Muhammadiyah Surakarta, male and female students always consider the expenses they need to carry out educational demands so that they can successfully manage the assets they have earned themselves and from their parents.

Tabel 2. Summary of SPSS Output of Multiple Linear Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	63,607	4,567		13,927	,000
	Gender	7,317	3,679	,188	1,989	,049
	Class	2,499	3,339	,064	,748	,455
	GPA	6,210	4,145	,143	1,498	,136
	Place of Residence	3,858	2,634	,124	1,464	,145
	Allowance	-,806	1,651	-,042	-,488	,626

Source: SPSS Data Processing

The value of sig. with 0.049 proves that the value is below the standard significance of 0.05, following the results of multiple linear regression analysis. As a result, if gender has a major influence on financial literacy, it can be concluded that Ho is not accepted while Ha is accepted, implying that gender affects literacy.

3.2.1.2 *The Influence of Class (X2) on Financial Literacy of Accounting Education Students 2018-2019 (Y)*

The second hypothesis, that the class does not influence the financial literacy of accounting education students, therefore it is rejected. According to research

findings, older and younger students are in a similar situation, but class 2018 has more respondents than class 2019, with 87.1% for class 2018 and 12.9% for class 2019 batch. The Sig. score is 0.455 greater than the level of significance in this study, that is 0.05, according to the results of multiple linear regression analysis. It can be concluded that this class has no impact on female or male students in obtaining financial education.

3.2.1.3 *The Influence of GPA (X3) on Financial Literacy of Accounting Education Students 2018-2019 (Y)*

The third hypothesis is rejected because the financial literacy of accounting education students is not influenced by the Grade Point Average (GPA). Students who get a GPA of more than 3.00 and students who have a GPA of less than 3.00 are in the same situation. Students with a GPA greater than 3.00 have a significantly better level of financial literacy than students with a GPA less than 3.00, according to the results of descriptive statistical analysis. This can be seen in all respondents with the highest GPA, namely 90% of students through a GPA greater than 3.00.

3.2.1.4 *The Influence of Residence (X4) on Financial Literacy of Accounting Education Students 2018-2019 (Y)*

The fourth hypothesis is rejected because the experimental results show that place of residence does not affect the level of financial literacy of accounting education students. According to descriptive statistical studies, students who live in boarding houses, rented houses, or dormitories have a larger percentage (77.1%) than students who live with their parents or guardians.

According to Margaretha and Pambudhi, (2015), students' financial literacy has no impact on their place of residence. In general, students either live alone (boarding/rented/dormitory) or with parents/guardians, have no income and still depend on their parents, are unable to manage finances properly, and this causes the place of residence to not have a major influence on financial literacy.

3.2.1.5 *The Influence of Allowance (X5) on Financial Literacy of Accounting Education Students 2018-2019 (Y)*

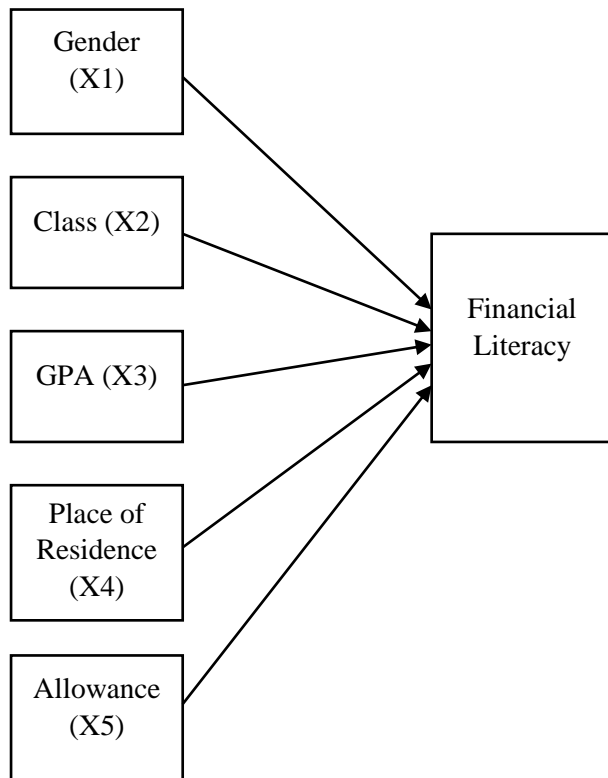
The fifth hypothesis is rejected because allowance does not affect the financial literacy of accounting education students. According to this study, allowance has no effect on the financial literacy of accounting education students at Universitas Muhammadiyah Surakarta. Because the level of significance in this study is 0.05, the value of sig. is 0.626, which is higher than the level of significance in this study. So, it can be concluded that allowance has no influence on the

financial literacy of accounting education students at Universitas Muhammadiyah Surakarta.

The higher the student's financial literacy, the more allowance they receive. On the other hand, increasing the amount of allowance given to students will increase their financial knowledge. This is because students have to adjust the management of their allowance and expenses to their own needs and desires. As a result, students with strong financial skills will find it easier to calculate large amounts of allowance. This is reinforced by the findings of Egesta (2021), which states that the allowance component does not affect student financial literacy.

3.2.1.6 Framework

A framework is a short-term explanation of a phenomenon that is the focus of our investigation. It is developed using relevant and related literature studies and research to generate hypotheses. Gender (X1), Class (X2), average value or GPA (X3), Place of residence (X4), and Allowance (X5) are independent variables in this study, while Financial Literacy (Y) is the dependent variable. The experimental model is as follows:



Source: previous studies developed

With the existing framework, the following hypothesis can be formulated:

H1 : The level of financial literacy of Accounting Education students at Universitas Muhammadiyah Surakarta is influenced by gender.

H2 : Class does not influence the level of financial literacy of Accounting Education students at, Universitas Muhammadiyah Surakarta.

H3 : Financial literacy level of Accounting Education students at Universitas Muhammadiyah Surakarta does not influence GPA.

H4 : Financial literacy level of Accounting Education students at Universitas Muhammadiyah Surakarta does not influence the place of residence.

H5 : Allowance does not influence the financial literacy of Accounting Education students at Universitas Muhammadiyah Surakarta.

4. CONCLUSION

The results of the study reveal that the gender factor influences the financial literacy of accounting education students at Universitas Muhammadiyah Surakarta based on the results of multiple linear regression analysis. This means that when it comes to money, students have a different perspective. The class did not influence the financial literacy of accounting education students at Universitas Muhammadiyah Surakarta. The GPA does not affect the financial literacy of accounting education students at Universitas Muhammadiyah Surakarta. The residence aspect does not affect the financial literacy of accounting education students at Universitas Muhammadiyah Surakarta. The allowance aspect has little effect on the financial literacy of accounting education students at Universitas Muhammadiyah Surakarta.

SUGGESTIONS

Students may be advised to be more active in dealing with financial problems, especially investment and saving issues, based on study findings and data analysis carried out, because investing and saving are the most profitable ways to allocate cash in the future. Students must also be aware of financial facts to develop proper financial literacy and avoid financial difficulties.

Other factors such as work experience, parental education, parental income, and family financial management education, and the effect of each independent variable on elements of financial literacy are suggested to be included in further studies.

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