



# Learning Finance, Financial Literacy and Financial Technology as Predictors of Student Financial Behavior in the Covid-19 Pandemic Era

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**Abstract.** This study aims to determine the effect of learning finance, financial literacy and financial technology on students' personal financial behavior in the era of the covid 19 pandemic. This type of research is a quantitative descriptive study using 180 students as research samples. Data collection techniques using questionnaires and financial literacy tests and data analysis techniques using multiple regression. The results of the study show that learning finance, financial literacy and financial technology have an effect on the personal financial behavior of FEB Unesa students in the Covid 19 Pandemic Era. The implications of this research are an understanding of material about finance that is integrated in various courses, understanding the concept of financial literacy and mastering financial technology. Good behavior can change students' financial behavior to be wiser.

**Keywords:** Financial Learning · Financial Literacy · Financial Technology · Personal Financial Management

## 1 Introductions

Personal financial management behavior is one of the problems faced by most people in Indonesia. [1]. People are said to be successful and achieve happiness if they have achieved financial freedom, in the sense that money is no longer used as the goal of life. All activities and life decisions are no longer solely aimed at money, but money is seen as a means to achieve a more essential goal. Money no longer controls a person's life, but people control money. Therefore, financial knowledge and skills to manage personal finances are very important in daily life to maintain individual well-being [2].

A person has achieved financial freedom if he is able to harmonize the use of funds with his income. This means that in sound financial practice there should be a large practice of pegs rather than poles. In addition, financial security in the future (especially in retirement) is guaranteed, and the anticipation of large losses in the future. In order to achieve financial freedom, knowledge and implementation of sound personal finance practices should ideally be owned and practiced by everyone. The extent of knowledge of a person or society in managing their personal finances is often known as financial

literacy [3]. Financial literacy is concerned with a person's ability to make informed and well-reasoned economic and financial decisions in their own best interest over time. Meanwhile, behavior related to financial management is often known as financial behavior. Behavior can be viewed as a decision or a series of decisions depending on context, location and conditions. Financial behavior generally includes budgeting, spending and borrowing, saving and investing, and managing risk. Evidence shows that good financial behavior contributes to financial well-being and prosperity in an overall sense [4].

There are several factors that are thought to influence financial behavior. The first factor that is thought to have an effect on financial behavior is financial learning. Financial learning at the elementary level is different from the level of junior high, high school and higher education. There is a long-term positive impact for five years between financial education on student financial behavior [5]. The results of other studies also show the relationship between financial education with financial knowledge and behavior [6].

The second factor that is thought to have an effect on financial behavior is the existence of financial literacy. [5, 6] Many people do not show good performance, cannot calculate economic problems even in simple terms and do not have basic concepts of financial knowledge. More complicated concepts such as the workings of the interest rate, the time value of money, the nominal and real values of a financial asset are also not shared by many. What is concerning is that the condition of illiteracy has spread to various generations, community groups in various layers [7]. Financial literacy is very important for every human being from an early age. The family, school and community environment play an important role in the formation of financial literacy and financial behavior. Financial management education provided in learning from kindergarten to university has a positive impact on future welfare. Because students are given an understanding before they continue their life to the next level, namely having a family. According to the results of the National Financial Literacy and Inclusion Survey (SNLIK) on 12,773 respondents in 34 provinces and 67 cities/districts conducted by the Financial Services Authority (OJK) in 2019, the financial literacy index reached 38.03% and the financial inclusion index 76.19%. This figure is an increase compared to the results of the 2016 OJK survey, namely the financial literacy index of 29.7% and the financial inclusion index of 67.8%. Thus, in the last 3 years there has been an increase in public financial understanding (literacy) by 8.33%, and an increase in access to financial products and services (financial inclusion) by 8.39% [8]. However, financial literacy must continue to be improved because in 2022 there will be various financial cases, for example, there are many people in Surabaya who are deceived by fraudulent investments of 7 trillion rupiah [9].

The third factor that is thought to have an effect on financial behavior is financial technology. In recent decades an individual has increased responsibility regarding financial security in old age. The demands for financial responsibility are increasing along with the more complex and the emergence of variations in financial products. The development of digital technology and industry, especially when it creates opportunities and problems for society. One of the opportunities that arise is the ease of borrowing and investing because of the various financial instruments that are easily accessed through cellphones and other facilities today. On the other hand, these opportunities create problems when someone is already in too much debt without good financial behavior, it can

lead to serious difficulties. The difficulty is related to the problem of spending for future expenses. Therefore, it is necessary to increase knowledge about financial technology for the public to be wise in using financial instruments so that they are not entangled with various criminal cases related to finance.

This research begins with a phenomenon that is currently happening, namely the behavior of people who are less biased in managing finances so that many are entangled in financial cases that result in financial difficulties. This study aims to review financial learning in universities, financial technology and financial literacy on financial behavior which are important things to study as early detection in managing finances so that financial behavior in the future does not become a problem in life. The respondent's choice is the students at the Faculty of Economics and Business Unesa who are the younger generation who are ready to work and have families. Thus, it is hoped that this research can be used as an evaluation of institutions in helping to improve the quality of financial learning, understanding of financial literacy, understanding of financial technology and financial behavior of students considering the development of technology and globalization which continues to increase sharply in order to manage finances well. In addition, the community is currently facing the COVID-19 pandemic which also affects the financial and non-financial activities of students.

## **2 Research Method**

This type of research is descriptive quantitative research. The subjects of this study were students of the Faculty of Economics and Business, State University of Surabaya. The research population is. The sample was selected using a proportional random sampling technique of 180 students. The instrument in this study used a questionnaire/questionnaire and a test with closed questions. Questionnaires given to the variables of financial learning, financial technology and financial behavior were measured using a Likert scale 1–5 with categories 1 = strongly disagree, 2 = disagree, 3 = sufficient, 4 = agree and 5 = strongly agree. Meanwhile, for the financial literacy variable, respondents were given 5 answers by choosing 1 correct answer. The correct answer with a score of 1 and wrong with a score of 0. The data analysis technique used multiple linear regression.

## **3 Result and Discussions**

### **3.1 The Effect of Financial Learning on Student Financial Behavior in the Covid-19 Pandemic Era**

Financial learning in higher education in the era of the COVID-19 pandemic is taught online and offline. The measurement of the Financial Learning variable in this study is related to the student's perception of the financial learning that has been given by the lecturer. The subjects related to financial learning are Introduction to Accounting, Intermediate Financial Accounting 1, and 2, Cost Accounting, Financial Statement Analysis, Banking Basics, and Banking Accounting. The indicators measured in the financial learning variables include: 1) the material taught in financial learning, 2) the use of financial learning methods, 3) the use of financial learning media/sources, 4) the financial

learning process, and 5) the quality of financial learning outcomes assessment. Based on the results of the survey, it was obtained data that the student responses were with an assessment of 3, 4 and 5, which means that the financial learning applied in FEB received a positive response from students. Based on the significance value, data also found that the sig value  $>0.05$  which means that there is an influence between financial learning on student financial behavior in the covid 19 pandemic era. This research is in line with previous research which showed a positive effect of financial learning on financial behavior. [4, 5]. [6].

### **3.2 The Influence of Financial Literacy on Student Financial Behavior in the Covid-19 Pandemic Era**

Literacy is the ability of an individual to read, write and speak, calculate and solve problems at the required level of proficiency, within the individual, family and society [11]. Financial Literacy Level is measured by indicator (1). Understanding of general knowledge about finance, (2). Understanding of income, (3). Understanding of money management, (4). Understanding of savings, (5). Understanding of Loans and (6). Understanding of Investment [11–14].

Based on the survey results obtained data that the value of student financial literacy with an average level of the medium category, which means that students already have financial literacy. Based on the significance value, data also found that the sig value  $>0.05$  which means that there is an influence between financial literacy on student financial behavior in the covid 19 pandemic era. This study is in line with previous research which showed a positive effect of financial literacy on financial behavior [1–4, 11–13].

### **3.3 The Influence of Financial Technology on Student Financial Behavior in the Covid-19 Pandemic Era**

Financial technology/FinTech is the result of a combination of financial services and technology that ultimately changes the business model from conventional to moderate, which initially had to pay face-to-face and carry a certain amount of cash, now can conduct long-distance transactions by making payments that can be made in a matter of seconds. Seconds [10]. To measure the mastery of financial technology, the following indicators can be used: 1) understanding of the benefits of financial technology, 2) knowledge of the types of financial technology, 3) ownership of financial technology, 4) utilization of financial technology. Based on the survey results, respondents' answers were obtained with categories of choices 3, 4 and 5. Thus, it can be concluded that students have good mastery of technology. This is due to the development of advanced technology that can automatically be accessed by students, a lot of information is obtained and various facilities are provided related to financial activities. Based on the significance value, the data obtained that the sign value  $>0.05$  which means that there is an influence between financial technology on financial behavior. The results of this study are in line with previous research. [16, 18], and [19].

Financial literacy is an internal factor that influences financial behavior, meanwhile, financial learning in higher education and mastery of financial technology are external factors that support the financial behavior of FEB Unesa students. The existence of an

understanding of the material about finance and mastery of financial technology, changes the financial behavior of students to be wiser. Although this finance study is not a separate course, but is integrated into various courses, students are taught how to manage finances. The implication of this research is that students are expected to be able to understand important concepts related to finance and implement them in good decision making so that they are said to have knowledge of financial literacy, financial technology and have implemented financial behavior well. The academic community, including lecturers, plays an important role in directing the formation of individuals in the academic field and student behavior [16]. On the other hand, the development of financial technology is currently growing, which can be seen from online shopping services and access to fast and efficient banking services [18]. This is certainly an opportunity as well as a threat for the younger generation in financial management.

## 4 Conclusions

Based on the results and discussion above, it can be concluded that financial behavior is influenced by financial learning, financial literacy and financial technology. The recommended recommendation is that educational institutions, namely FEB Unesa, continue to provide understanding to their students so that they understand financial literacy, financial technology and practice healthy financial behavior. This can be done by means of discussions about financial literacy, financial technology and financial behavior in lectures, socializing to students about the importance of understanding financial literacy, financial technology and implementing financial behavior. Lecturers can provide an understanding of contextual and conceptual concepts about finance through the use of various financial technology services and the habituation of financial literacy attitudes and applying financial behavior. Students are expected to always follow the development of the economy and financial technology and respond carefully and wisely. The hope is that students are able to relate financial concepts to the real world so that they will better understand financial concepts correctly and finally be able to apply economic and financial principles in everyday life so that they are prosperous in the future.

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