

THE EFFECT OF FINANCIAL LITERACY ON BUSINESS INTEREST: A CASE STUDY ON FEBI UINSI SAMARINDA STUDENTS

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ABSTRACT

The aim of the research is to determine the influence of entrepreneurship education, financial literacy, family environment, and love of money on the current entrepreneurial intentions of students at the Faculty of Economics, Sultan Aji Muhammad Idris National Islamic University. This research is quantitative or uses numbers as a measure. Data was collected using a questionnaire or questionnaire using random sampling techniques and distributed to 150 respondents or students. In this research, researchers used descriptive data analysis techniques. The results of this research show that financial literacy has a positive impact on investment decisions and decisions to be interested in business development for the majority of students. Financial behavior has a positive influence on investment decisions.

Keywords: Entrepreneurship Education; Financial Literacy; Family Environment; Love Of Money; Interest In Entrepreneurship

INTRODUCTION

The number of Indonesian population every year continues to increase. According to data compiled by the Central Statistics Agency (2019), there was an increase in the population of 9,369,600 during 2016 to 2019. One of the results of Indonesia's very high population growth is the form of demography, which is a state of reduced economic burden that must be borne by the productive age population (Alamanda et al., 2019). With the increasing percentage of the productive age population, the employment needed also increases. Data compiled by the Central Bureau of Statistics (2019) for the number of job seekers and registered job vacancies in Indonesia in 2019 stated that there were 496,951 registered job seekers.

Meanwhile, registered job vacancies only amounted to 265,577 vacancies. If the growth of the productive age population continues to increase while not accompanied by the availability of appropriate job vacancies, this can trigger an increase in the number of unemployed in Indonesia. One way the government can reduce the unemployment rate in Indonesia is to develop existing entrepreneurs in Indonesia (Noviantoro & Rahmawati, 2017). Entrepreneurship is one of the effective solutions that are well chosen to reduce unemployment, besides that with the rapid development of entrepreneurship it will increase employment. Because each of these entrepreneurs will certainly need staff or employees to support their business development, so this will also help others to get jobs (Giantari & Ramantha, 2019).

The fundamental theory that can be used in this study is the Attribution Theory. In this theory, it is stated that a person's behavior is influenced by external and internal factors (Merdiawan, 2015). Similar to the research we are currently doing, which is about students' interests and desires for entrepreneurship, there are certainly external and internal factors that can influence student interest in entrepreneurship. Education and understanding of the importance of entrepreneurship can be used as one way to increase student entrepreneurial interest.

This is in accordance with the policies made by the Policy of the Ministry of Cooperatives and SMEs of the Republic of Indonesia. However, there is a theory gap from research conducted by Astungkara & Widayanti (2020) stating that entrepreneurship

education has not had a significant enough effect to increase student entrepreneurial interest. Another factor that influences entrepreneurial interest is one's level of financial literacy. As students of the Faculty of Economics who have received education about economics and finance, then of course students of the Faculty of Economics have a good level of financial literacy. As mentioned by Buchari (2011) that the level of financial literacy that a person has can support his entrepreneurial interest.

RESEARCH METHODS

The research we use in this scientific paper is a type of quantitative research with the research population being active students of FEBI UINSI Samarinda Class of 2020-2022. The sampling method used is non-probability sampling with purposive sampling techniques to screen students who do not have personal business, and is also based on the calculation table for determining the number of samples from a certain population by Issac Michael, so that the number of research samples is as many as 150 samples. The data collection method used in this study was by distributing questionnaires developed from previous research. The primary data used was obtained from respondents through questionnaires and secondary data of this study was sourced from student data of the Faculty of Economics and student data who have been involved in the world of entrepreneurship. There are 3 methods and techniques of data analysis used in this study. Before testing the research hypothesis, testing of the instrument to be used in this study is first carried out. Instrument Test consists of validity test and reliability test. Furthermore, a classical assumption test was carried out consisting of 3 morality tests, a multicollinearity test and a heteroscedasticity test. And then a hypothesis test is carried out, consisting of multiple linear regression analysis, determination coefficient test (R^2) and t test.

RESULTS AND DISCUSSION

The Effect of Level of Understanding on Business Interest

Understanding of financial literacy obtained during college is the basic capital that can be used for entrepreneurship, as well as skills gained during lectures, especially in practical courses (Adi, 2002). If education is adequate, then a person will be ready to become an entrepreneur and become a leader in the future. A person's educational background, especially those related to the field of business, such as business and management or economics is believed to affect his desire and interest to start a new business in the future. Sinha (1996) conducted a study in India and proved that educational background is one of the important determinants of entrepreneurial intentions and the success of the business being run. Another study, Lee (1997) which studied women entrepreneurs found that university-educated women have a need for high achievement to become entrepreneurs. Research conducted by Suhartini (2011) concluded that education affects entrepreneurial interest. So if someone gets education about entrepreneurship, then he will increasingly understand the advantages of being an entrepreneur and be more interested in becoming an entrepreneur. Thus, it can be said that there is an influence between entrepreneurship education and entrepreneurial interest.

This research data was obtained from a survey of 150 respondents from FEBI UINSI Samarinda students class of 2020-2022. The class of students with the most data in this survey is the Class of 2020, which is 64 or 42.5%. The class of 2022 has the least number of respondents, namely 21 people compared to a total of 14 respondents. Age Group Students are between 18 and 22 years old. In this survey, the 21-year-old age group had the highest number of respondents as many as 50 people (33.5%), while the 22-year-old age group had the least number of respondents at 3 respondents or 2% of the total respondents.

By gender. A total of 91 (60.5%) students are mostly women. The percentage of males was 59 (39.5%). Students are divided into three groups based on their source of income: respondents whose sources of income are parents, scholarships, and jobs. Based on the data collected, the biggest source of income for students comes from their parents. In addition, it was found that some students have multiple sources of income. Data collected by researchers regarding students' pocket money revealed that most students receive monthly allowances ranging from Rp 500,000 to Rp 2 million or equivalent to 63% of the total number of students. It also found 1.5% of students did not receive any allowance from their parents. Based on students' monthly expenses, researchers found that 98 students, or 65.5% of the total respondents, had expenses ranging from Rp.500,000 to Rp.1,000,000 per month and the rest had expenses above that number.

The survey found that 89.5% of FEBI UINSI students have or are running a business, while the remaining 10.5% have never been in business. Of the 89.5% of students who are running a business, most students choose savings products as their means of business, and the number increases to 127 students, while the business products that students choose the least are real estate and bonds (2 students). The results of the data quality test in this study can be said to be valid if the Pearson correlation value or r is calculated $>$ table. It is known to be 0.138 and 0.05 significance, and the data used are reliable even though Cronbach's alpha is greater than 0.06. Classical acceptance testing uses three tests, namely the normality test, the multicollinearity test, and the heteroscedasticity test.

The value of asymp is determined by the normality test (Kolmogorov-Smirnov Z). A (two-sided) sig of 0.200 $>$ 0.05 indicates that the data is normally distributed. The multicollinearity test shows the acceptable value for the independent variable is a VIF value of $<$ 10 $>$ 0.01. It seems that there is no multicollinearity in the data. The results of the heteroscedasticity test (Spearman Rank) showed a mark of 0.890 for the two-sided financial literacy variable (X1) and 0.515 for the financial behavior variable (X2) was heteroscedastic.

The data quality test stage and the classical assumption test have been tested so that the next stage is testing and interpretation of the regression model. Based on the results contained in the table above, the formula for multiple linear regression equations can be determined, $Y = 6.151 + 1.350X1 + 0.430X2 + 0.05$ The Financial Literacy regression coefficient (X1) of 1.350 shows that financial literacy has a positive influence on business interest, so every increase in financial literacy (X1) will be able to increase business interest (Y) by 1,350. The Financial Behavior regression coefficient (X2) of 0.430 shows that financial behavior has a positive influence on business interest, so every increase in financial behavior will increase business interest by 0.430 Hypothesis testing in this study using a t test (partially).

The t test aims to show how far the influence of Financial Literacy (X1) and Financial Behavior (X2) individually in explaining variations in business interest (Y) by obtaining a table of 1,391. Based on the results above for the Financial Literacy variable, a calculated t value of 3.525 $>$ from a table value of 1.391 and a Financial Literacy significance value of 0.001 $<$ of 0.05, this means that H1 is accepted. It was concluded that financial literacy has a positive and significant effect on students' business interests, while for the calculation of the Financial Behavior variable, a value was calculated at 5.375 $>$ from the table value of 1.391 and the significance value of Financial Behavior of 0.000 $<$ from 0.05, this means that H2 is accepted.

It was concluded that financial behavior has a positive and significant effect on students' business interests. According to the data, the most common product owned by 90 students is savings, followed by stocks as many as 20 people, gold as many as 15 people, companies as many as 10 people, deposits as many as 7 people, business trust funds as many as 6 people, and bonds and real estate as many as 1 student each, as many as 12 out of 15

people believe that Islamic business has good prospects in the future and the rest are still doubtful, 15 people are interested in becoming entrepreneurs, 12 out of 15 people have insufficient knowledge to manage a sharia business.

In short interviews the researchers conducted with some respondents, they still tended to use their savings as a business product because the risk was very low and easy to convert into cash. Separately, the researchers point out that it doesn't really account for the costs or drawbacks of savings-based business products. In addition to savings, many students choose stocks as a business product. A brief interview conducted by researchers revealed that students are interested in doing stock business because the returns they can get are very high. In addition, registering to become a stock investor is not too expensive and the conditions are not too difficult.

The survey also showed that fewer college students were doing business in real estate and bonds. This makes sense because doing business in real estate products requires large capital. Based on the results of a questionnaire conducted on 150 respondents of FEBI UINSI SAMARINDA students, there is still a lot of dependence on parental benefits, making it difficult to do business that requires large amounts of capital. The impact of financial literacy on business interest. Based on the results of multiple regression test analysis, the variable "financial literacy" obtained a table value of 1.391 with a calculated value of 3.525 > and a financial literacy significance value of 0.001 < 0.05 means that H1 is accepted.

The most demanded areas of business

Based on the results of a questionnaire that has been filled out by 150 respondents of FEBI UINSI Samarinda students, as many as 57.1% chose the business interest of the type of goods, 14.3% chose the service sector, 7.1% in the agribusiness sector while 21.5% have not chosen a suitable business and in accordance with their interests.

It can be concluded that the variable "financial literacy" has a positive and significant influence on students' business interests. Huston & J. (2010) define financial literacy as a process that measures an individual's level of understanding when processing financial information. Knowledge of the importance of managing finances makes business interest increasing. Financial decisions based on good financial literacy can help you overcome financial problems. UINSI S1 students in February generally tend to be financially literate. Based on the survey data, 52% of students were able to answer financial literacy questions with high scores. This can be caused by various factors, one of which is education in college. Many accounting courses are closely related to financial literacy, and students will indirectly understand the basic basics of financial literacy.

The findings of this study are in line with the research of Rikziana & Kartini (2017) which found that financial literacy helps individuals in understanding financial literacy, and understanding business interests. Chotimah & Rohayati's (2015) research targeting accounting students also found that the higher the level of financial knowledge, the better the impact on one's financial management. Rasuma Putri & Rahyuda's (2017) research is also similar. supports research findings and suggests that the level of financial literacy can influence business interest and the influence of financial behavior on business interest. Based on the table above for the variable "Financial Behavior" from the table value of 1.391 obtained a calculated t value of 5.375 > and a significance value of "Financial Behavior"

CONCLUSION

Based on the research that has been done, it can be concluded that:

1. Savings products are still widely used by students today because they are less risky and easier to use than other business products.
2. Financial literacy has a positive effect on business interest and entrepreneurial interest

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