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ANALYSIS OF FINANCIAL LITERACY EFFECT OF HOUSEWIVES IN KLOJEN DISTRICT

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Abstract: During this time a lot of fraud under the guise of investment with a variety of models. Starting from the existence of investments that offer high rates of return, social gathering chain, to investments in the form of capital goods (gold) which turned out to give false hopes. Most victims are women. Often women are often the target of fraud. Because women often become financial holders in their households, because most of the workforce is dominated by women, because women have a high consumerism character, because women often have a curiosity about new things and want to have them based on their egos, groups, and women be a financial holder in the household environment. By using multiple regression analysis it can be analyzed that the variables of banking knowledge, insurance knowledge and pawnshop knowledge have an influence on the financial management behavior of housewives in Klojen sub-district in Malang City

Keywords: banking knowledge, insurance knowledge, pawnshop knowledge, financial behavior

I. INTRODUCTION

Because the level of financial literacy of women in Indonesia is still low. The issue of financial literacy has become one of the focuses of government policy and financial institutions in Indonesia. There is concern that consumers tend to lack understanding of financial concepts and do not have the knowledge to make financial decisions.

As stated by Agus Sugiarto (2014) that 33% of MSMEs in Indonesia are owned by women. So that women are very familiar with financial management activities, especially in their family environment. However, from the same source, even though women are familiar with family financial management, it turns out that women's financial understanding in Indonesia is still low.

Furthermore, Agus (2014) explained that the level of financial understanding of Indonesian women was still at 18.84 percent. Meanwhile, the level of male literacy is higher, reaching 24.87 percent. It is suspected that the low level of understanding of women's finances in Indonesia is due, so far, financial knowledge education is still dominated by men.

Financial Literacy is a basic need that is needed for someone, so they can avoid financial problems. The emergence of financial problems not only because of the low level of income but can also come from a lack of knowledge in managing one's finances. Financial Literacy shows individual skills in utilizing the resources they must achieve and improve welfare.

In order to achieve financial well-being, one needs to have sound knowledge, attitudes, and implementation of personal finances. The extent to which a person's knowledge, attitude and implementation in managing finances is known as financial literacy. Housewives generally have greater freedom to make decisions in terms of family finances. Many housewives learn financial problems from trial and error, but that has not been able to make them become smart economic actors in today's life.

The level of public financial literacy towards financial service institutions, mostly dominated by the banking industry, followed by insurance, pawnshops, finance companies, pension funds, and securities or capital market companies. The order is arranged from highest to lowest in the community's understanding of Financial Services Institutions (LJK).

1.1 Formulation of the problem

From the description above, the problems in this study can be formulated as follows:

1. Does banking knowledge influence the behavior of housewife financial management in Klojen sub-district?
2. Does Insurance Knowledge affect Financial Management Behavior of Housewives in Klojen District?
3. Does Pawnshop Knowledge influence Financial Management Behavior of Housewives in Klojen District?
4. Does Financial Literacy simultaneously influence the Behavior of Financial Management of Housewives in Klojen District?

1.2 Research purposes

The purpose of this study can be formulated as follows:

1. To find out whether Banking Knowledge influences the Behavior of Financial Management of Housewives in Klojen District?
2. To find out Insurance Knowledge influences the Behavior of Financial Management of Housewives in Klojen District?
3. To find out that Pawnshop Knowledge influences Financial Management Behavior of Housewives in Klojen District?
4. To find out Financial Literacy simultaneously influences the Behavior of Financial Management of Housewives in Klojen District?

II. THEORETICAL REVIEW

2.1 Financial Literacy

According to Lusardi (2007) financial literacy is defined as financial knowledge with the aim of achieving prosperity. This can be interpreted that preparations need to be made to meet the globalization of problems in the financial sector. Meanwhile, according to Houston (2010) in Widayati's research (2012), it states that financial literacy occurs when individuals

have a set of skills and abilities that enable the person to be able to utilize existing resources to achieve the expected goals. Remund (2010) in Widayati's (2012) study states that there are four things that are most common in financial literacy, namely budgeting, savings, loans, and investment. Financial literacy does not only involve knowledge and ability to handle financial problems but also non cognitive attributes.

According to the Financial Services Authority Institute (2013) by definition, literacy is defined as the ability to understand, so financial literacy is the ability to manage the funds owned to develop and live more prosperously in the future, OJK states that an important mission of the financial literacy program is to carry out education in the field of finance to the people of Indonesia so that they can manage finances intelligently, so that low knowledge of the financial industry can be overcome and the public is not easily fooled into investment products that offer high returns in the short term without considering the risks.

From the description above it can be said that financial literacy is a way of helping in providing an understanding of financial management and opportunities to achieve a more prosperous life in the future. In other words, financial literacy can be used as a tool that needs to be improved by someone or individual if they want to have passive income that exceeds active income.

2.2 Financial Behavior

Numerous studies show that financial literacy has a positive relationship with financial behavior. Hilgert, Hogart and Beverly (2003) added financial behavior and financial literacy to the questionnaire in the National Survey of Consumer Finance. They create a Financial Practice Index based on behavior in four variables: cash flow management, credit management, savings, and investment behavior, then compare the index with financial literacy scores and find that people with higher financial literacy levels also have more Financial Practice Index high, which indicates a positive relationship between financial behavior with financial literacy even though the direction of causality is not clear.

The causality may be different, in the sense that an increase in financial literacy causes better or more effective financial behavior and financial decision making or vice versa.

2.3 Research Conceptual Framework

Dari uraian latar belakang dan kajian teoritis diatas, maka kerangka konsep penelitian ini dapat digambarkan sebagai berikut:

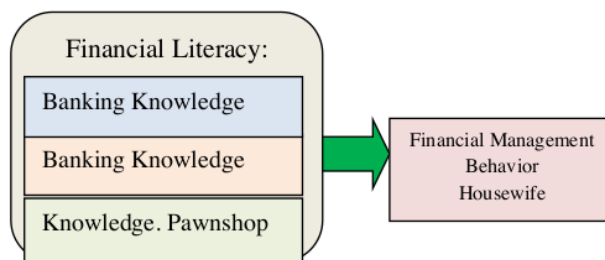


Figure 1. Research Conceptual Framework

2.4 Research Hypothesis

From the background and problems above, the research hypothesis is based on empirical studies, it can be stated as follows:

1. There is an influence between Financial Literacy on Behavior of Housewife Financial Management in Klojen District.
2. It is suspected that there is a partial influence between Financial Literacy with knowledge of Banking, Insurance, and Pawnshop on the Behavior of Financial Management of Housewives in Klojen District.
3. It is suspected that there is a difference between the Financial Management Behavior of Housewives who have income and Housewives who do not have income in Klojen District.

III. RESEARCH METHOD

3.1 Research design

This type of research is explanatory research that aims to explain the relationship between variables and test existing hypotheses. This study also uses a quantitative approach in which the researcher collects data by first establishing the concept as related variables derived from existing theories and then looking for data using a questionnaire for the measurement of variables.

3.2 Population and Research Samples

This study took a sample on the basis given by Ferdinand above. With a calculation of 5-10 times the number of parameters estimated, the researcher took a middle value of 7 times the number of parameters used in this study as many as 24, so the total questionnaire distributed as many as 168, and rounded up to 185 questionnaires, so that if in the test there are questionnaires that are not qualify, researchers do not need to take a repeat sample. Respondents in this study were housewives in the city of Malang.

3.3 Operational Variables and Definitions

From the theoretical review and frame of mind above, the following discussion can describe the concept of the research variable as follows:

- a. Dependent Variable (Y): Financial Management Behavior.
is the behavior shown by housewives in managing their finances that causes them to succeed in managing their finances to achieve prosperity.
- b. Independent Variable (X): Financial Literacy proxied by knowledge of Banking, Insurance and Pawnshop

In the section below, the Research Instrument Grid is presented as the study material in this study:

Table 1. Research Instrument Grid

Concept	Variable	Indicator	Item
Financial Management Behavior	Financial Management Behavior (Y)	a. Make a Budget b. Record expenses c. Monthly Audit d. Financial planning	1. Arrange RT Routine Budget 2. Record RT receipts and disbursements 3. Monitoring the records that have been made 4. Make financial planning for the long term 5. Evaluate the budget made with realization 6. Exercise self-control 7. Budget conditions 8. Total expenditure
Financial Literacy	Banking Knowledge (X1)	a. type Benefits b. Risk	1. Familiar with the types of banking institutions 2. Knowing the benefits of banking institutions in everyday life 3. Know the risks of banking institutions 4. As a customer / have a bank account 5. Have confidence in the existence of banks 6. Give recommendations to other parties about banking
	Insurance Knowledge (X2)	a. type Benefits b. Risk	1. Get familiar with the types of insurance 2. Knowing the benefits of insurance institutions in everyday life. 3. Knowing the risk of insurance institutions. 4. As an insurance customer 5. Have confidence in the existence of insurance 6. Give recommendations to other parties about insurance
	Pawnshop Knowledge (X3)	a. type Benefits	1. Familiar with the pawnshop 2. Knowing the benefits of pawnshop in daily life 3. Recognize the risk of a pawnshop 4. Pegadaian became one of the institutions aiming at overcoming financial RT

IV. ³ RESULT AND DISCUSSION

Based on data from the Central Statistics Agency of Malang, Malang City has an area of 110.06 km² which is divided into 5 districts and 57 villages consisting of:

- a. Blimbing District has an area of 17.77 km² and has 11 villages.
- b. Klojen Subdistrict has an area of 8.83 km² and has 11 villages.
- c. Kedungkandang District has an area of 39.89 km², and has 12 villages.
- d. Lowokwaru District has an area of 22.60 km² and has 12 villages.
- e. Sukun District has an area of 20.87 km², and has 11 villages.

The division of territory divided into five districts has differences in the level of the economy. Based on the December 2016 Population Growth Report of the Population and Civil Registration Office of Malang City, the population of Malang City is 895,387 people, consisting of 446,933 people, male and female, of 448,454 people.

Table 2. Number of Family Heads (KK) per sub-district

No	District	Number of Family Heads (KK)
1.	Blimbing	61.278
2.	Kedungkandang	35.739
3.	Klojen	63.580
4.	Lowokwaru	64.154
5.	Sukun	53.676
Total	278.427	

Source: Malang City Population and Civil Registry Office

4.1 Based on Gender

Description of respondents based on gender, then it can be grouped as follows:

Table 2. Characteristics of Respondents by Gender

Gender	Total	Percentage
Female	100	100%
Total	100 orang	100%

(Data source processed, 2019)

Based on table 4.2 about the characteristics of respondents by sex with the number of respondents as many as 100 data obtained as follows: 100 respondents or about 100% are female, This can be concluded that the respondents are all women. In this study the respondents were dominated by women by 100% because the respondent was housewives.

4.2 Description of Respondents by Age

Description of respondents based on age, then it can be grouped as follows:

Table 3. Characteristics of Respondents by Age

Age	Total	Percentage
Teen (17-25 years old)	14 people	14%
Adult (ages 26-35 years)	47 people	47%
Old (36-50 years old)	39 people	39%
Total	100 people	100%

(Data source processed, 2018)

Based on table 4.3 about the characteristics of respondents according to age with the number of respondents as many as 100 data obtained as follows: 17-25 years around 14 people or 14%, while those aged 26-35 years old as many as 47 people or about 47%, and those aged 36- 50 years, as many as 39 people or around 39%. It can be concluded that the majority of respondents are adult categories that have an age range between 26-35 years

because they are the productive age group and the fastest to absorb consumptive culture. This consumption pattern occurs in almost all levels of society, albeit to varying degrees. The adult category is one of the examples that is most easily affected by excessive consumption patterns and is tempted by discounts. The value of prestige or ego of women is to show their existence in the community.

4.3 Variable Frequency Distribution of Financial Management Behavior (Y)

The result of the frequency distribution of the Usage Decision variable (Y) shows that the highest average is 4.20, with financial planning indicators. It is seen from housewives who have to really plan every expenditure well so that they can be managed wisely.

The lowest average of the usage decision variables is 4.065, with indicators stating that recording expenses can be done anywhere without having to consider financial management.

The average value of the usage decision variable of 4.145 means that the behavior of financial management is already high.

4.4 Banking Knowledge Variable Frequency Distribution (X1)

Banking Knowledge variable frequency distribution results (X1), it appears that the highest average of 4.225 yatu benefit indicators are very useful especially for housewives because of the ease factor

The lowest average of product variables is 4.16, the risk indicator is very calculated by housewives.

The average value of the banking knowledge variable of 4.196 means that the banking knowledge variable is already high.

4.5 Insurance Knowledge Variable Frequency (X2)

The results of the frequency distribution of insurance knowledge variables (X2), it appears that the highest average of 4.17 is a risk indicator that is highly considered by housewives by taking into account the benefits in insurance.

The lowest average of insurance knowledge variables is 4.10, which is an indicator of type of lack of attention because not all housewives know the type of insurance.

The average value of the variable price of 4.13 means that the insurance knowledge variable is already high.

4.6 Frequency Distribution of Pawnshop Knowledge Variables (X3)

The results of the frequency distribution of pawnshop knowledge variables (X3), it can be seen that the highest average is 4.255, which is an indicator of the benefits of a pawnshop with lots of benefits when suddenly needed.

The lowest average in the pawnshop knowledge variable is 4.12, which is an indicator of the type of pawnshop that is not understood by housewives. The average value of the pawnshop knowledge variable is 4.1875 meaning that the pawnshop knowledge variable is already high.

4.7 Data analysis

Data analysis in this research is multiple linear regression, the use of regression analysis must meet some classic assumptions.

4.8 Classic assumption test

4.8.1 Normality Test

Data normality test aims to test whether in a regression model, the dependent variable (financial management behavior), independent variables (banking knowledge, insurance knowledge, and pawnshop knowledge), the mothers in Klojen sub-district in Malang have normal distribution or not. A data that forms a normal distribution if the amounts above and below the average are the same. A regression is said to be good if the data is normal or close to normal. If the data spreads in the direction of a diagonal line, it can meet the assumption of normality. If the data spreads far from the diagonal line, the regression model does not meet the assumption of normality. The following are the results of the normality test according to SPSS output.

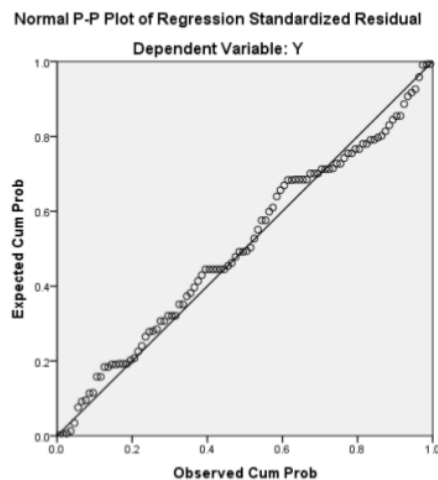


Figure 2. Figure Normality Test Results
Source: SPSS output processed 2019

The graph above shows the data spread around the diagonal line and the distribution follows the diagonal line, this means the data is normally distributed. Thus, the regression model is feasible to be used in research.

4.8.2 Multicollinearity Test

Multicollinearity is a situation where there are correlations of independent variables between one and the other. In this case, we call this free variable not orthogonal (Erlina, 2010). This test aims to determine the presence or absence of multicollinearity between

independent variables. A good regression model is that there is no correlation between independent variables. Multicollinearity Test uses VIF (Variance Inflation Factor) and Tolerance. Where the VIF value is less than 10, multicollinearity does not occur. Data from the results of the analysis conducted in accordance with the SPSS output are as follows:

(X1), (X2), (X3), each variable has a tolerance value of less than 1, likewise the VIF number is less than 10, meaning that there is no multicollinearity.

4.8.3 Heteroscedasticity Test

Heteroscedasticity test aims to test the difference in residual variance of one observation period to another. A good regression model is not heteroscedasticity. If there are certain patterns such as points that form a diffuse pattern, heteroscedasticity has occurred. If there are no clear patterns and points of diffusion, and points spread below the numbers 0 and \bar{y} , then heteroscedasticity does not occur. The following graph shows the results of heteroscedasticity according to SPSS output.

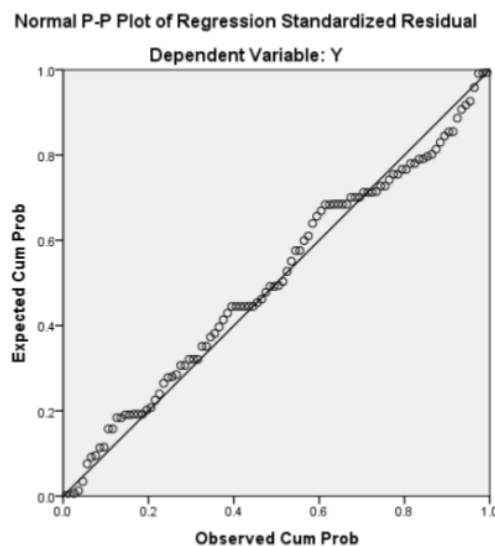


Figure 3. Graph of Heteroscedasticity Test Results

Source: Data: SPSS output processed 2019

The graphic image, seen points spread randomly without forming a clear pattern. Thus, it can be concluded that heteroscedasticity does not occur, so that the regression model is feasible to use.

4.8.4 Multiple Linear Regression Analysis

Multiple linear regression analysis is used to find out how much influence the independent variables are Product (X1), Price (X2), Promotion (X3), Location (X4), Person

(X5), Process (X6), and Physical Evidence (X7) on Decision of Use (Y). The analysis results can be seen in the following table:

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.363	1.727		1.368	.174
	X2	.394	.110	.306	3.588	.001
	X1	.261	.129	.175	2.024	.046
	X3	.867	.110	.507	7.889	.000

a. Dependent Variable: Y

From the table above, the regression equation is as follows:

$$Y = 2,363 - 0,261 X1 + 0,394 X2 + 0,867 X3 + e$$

From the regression equation, it is known that:

- A constant value of 2.363 means that the variables of Banking Knowledge (X1), Insurance Knowledge (X2), Pawnshop Knowledge (X3), equal to 0 (zero), then the Decision of Use (Y) of 2.363.
- Banking Knowledge Variable (X1) has a negative regression coefficient of 0.261. This states that each one unit of product variable (X1) will have an effect of 0.261 on Financial Management Behavior (Y) if the other variables remain.
- Insurance Knowledge Variable (X2) has a positive regression coefficient of 0.394. This states that each one unit of Insurance Knowledge variable (X2) will have an effect of 0.394. towards Financial Management Behavior (Y) if other variables remain.
- The Pawnshop Knowledge Variable (X3) has a positive regression coefficient of 0.867. This states that each pawnshop Knowledge variable unit (X3) will have an effect of 0.867 on the Usage Decision (Y) if the other variables are fixed. The data shows that Promotion (X3) has a positive (direct) effect on Financial Management Behavior (Y).

4.8.5 Coefficient of Determination

The coefficient of determination essentially measures how far the model's ability to explain the variation of the dependent variable. The magnitude of the coefficient of determination is 0 to 1. A small R² value means that the ability of the independent variables in explaining the variation of the dependent variable is very limited. A value close to 1 means that the independent variables provide almost all the information needed to predict the variation of the dependent variable.

Model Summary^a

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics	Durbin-Watson
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					R Square Change	F Change	df1	df2	Sig. F Change	
1	.894 ^a	.800	.793	2.11469	.800	127.771	1	96	.000	1.685

a. Predictors: (Constant), X3, X2, X1

b. Dependent Variable: Y

The coefficient of determination essentially measures how far the model's ability to explain the variation of the dependent variable. The magnitude of the coefficient of determination is 0 to 1. A small R² value means that the ability of the independent variables in explaining the variation of the dependent variable is very limited. A value close to 1 means that the independent variables provide almost all the information needed to predict the variation of the dependent variable.

4.8.6 Hypothesis test

Hypothesis 1 (H1) Test

The F test is used to prove whether the variables namely Banking Knowledge (X1), Insurance Knowledge (X2), Pawnshop Knowledge (X3), together affect Financial Management Behavior (Y). The recapitulation of the results of the F test as follows can be seen in the calculated F value of 127.77 with a significant value of 0,000, meaning that the Significant F is less than 0.05 indicating that the variables of Banking Knowledge (X1), Insurance Knowledge (X2), Knowledge of Pawnshop (X3), together affect Financial Management Behavior (Y). Thus it can be concluded that the hypothesis is accepted.

V. CONCLUSIONS AND RECOMMENDATIONS

Based on the results of the study, the influence of banking knowledge, insurance knowledge and pawnshop knowledge has an influence on the financial management behavior of housewives in Klojen sub-district in Malang, so it can be concluded that:

1. The banking knowledge variable partially significantly influences the financial management behavior of housewives in the Klojen sub-district in Malang.
2. The insurance knowledge variable partially significantly influences the financial management behavior of housewives in the Klojen sub-district in Malang.
3. The pawnshop knowledge variable partially significantly influences the financial management behavior of housewives in Klojen sub-district in Malang City

Based on the analysis and discussion of the results of the hypothesis testing above, there are several suggestions for, including:

Advice for housewives

- a. In terms of financial management behavior, housewives must be able to increase knowledge by recording all expenses so that the management of expenditure is more organized.

- b. In terms of banking management, housewives must know the risks faced when going to find financial resources to the bank.
- c. From knowledge of insurance, housewives must know all insurance types which are right for the family and in accordance with the family's financial capabilities.
- d. From the knowledge of pawnshop, housewives must know the uses and advantages as well as the type of pawnshop so that when they get into trouble, they can immediately find alternatives to these types of financing.

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