

ANALYSIS OF STUDENTS FINANCIAL LITERACY IN FACULTY OF ECONOMIC STATE UNIVERSITY MALANG

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Abstract

Financial literacy defines as a financial knowledge with the aim of achieving prosperity. To explore and find out how much the level of financial literacy benchmarks, we can use the management and use knowledge of money wisely. The research was conducted among collages of economic faculties have in fact learning about financial management and good economic behavior. This study uses qualitative research methods with phenomenological approach. Where the researchers conducted a pilot study before drawing on the principal issue in tune with the thinking field. confirmed by direct interviews to a number of respondents who selected the qualifying financial circumstances. The results of this study discover that most collages of the Faculty of economics has a pattern of economic behavior is good enough, half of them have a Financial Literacy is quite comprehensive, covering the value of a good knowledge and priorities in his life: Budgeting, saving and how to manage money.

Key words: Financial Literacy, Economic Education

INTRODUCTION

Financial literacy or better known as knowledge in financial regulation is one of a growing economic behavior in society consciously or unconsciously have lived for many years. Financial literacy is a basic need for everyone to avoid financial problems.

Financial literacy can be defined as financial knowledge with the aim of achieving prosperity (Lusardi & Mitchell 2007). Based on the understanding of the underlying Australian Securities & Investments Commission (report, 229, March 2011) understand that financial literacy is also an international understanding The definition originally developed in the United Kingdom and appearing in the Australian ANZ national adult financial literacy surveys (ANZ surveys) of 2003, 2005 and 2008.⁶ The definition was also recently adopted by New Zealand:

“The ability to make informed judgements and to take effective decisions regarding the use and management of money”.

Empirical evidence, Lusardi and Mitchell (2006, 2008, 2009) found that there is a difference between men and women in making financial decisions, and better men because it has a higher financial knowledge. Elsewhere, Ibrahim, Aaron and Isa (2009) found that the majority of students in Malaysia has the financial knowledge (financial literacy) that are less high, and this can lead to not focus properly when making financial decisions every day.

Orton (2007) clarifies by stating that financial literacy become inseparable in the life of a person because of financial literacy is a useful tool to make informed financial decisions, but from experiences in various countries are still showing relatively less high. Byrne (2007) also found that low financial knowledge will cause the creation of a financial plan that is wrong, and lead to bias in the achievement of prosperity in the current age is not productive anymore.

Financial difficulties not only a lack of income alone, financial difficulties may also arise if an error occurs in the financial management (miss-management) such as the misuse of credit, and lack of financial planning. Financial constraints can lead to stress, and low self-esteem. Have financial literacy, it is vital to obtain a prosperous life, and quality. Further explained that financial literacy together with the neighborhood, the ability to read the state of the economy is the key to becoming a smart consumer.

Either the rich or poor, smart or stupid, old or young, all have something in common when it came to money matters. We all use money. The amount of money they had and how we use the money are different from each other. But, certainly in this world we all need money. Financial management activities to meet the needs of daily consumption up to the preparatory process in the form of long-term savings are also part of financial literacy.

Phenomena that exist in the community that there is now a consumptive lifestyle that is disproportionate, which is not in accordance with the ability of earnings and financial conditions that would eventually lead to financial failure. Like, bad loans sourced from credit cards showed an increase, as reflected on the NPL (Non Performing Loan) credit cards in 2007 amounted to 11, 85% increased

compared to the previous year by 8.96%. The phenomenon of the high number of bad loans is an indication of poor financial literacy part of our society, as stated in the blueprint for public education in banking (2007) that,

"baseline survey of literacy and people's understanding of financial products and banking in 2006 to the conclusion that education to the public in finance and banking is indispensable ".

Phenomena that exist among students within the faculty of economics, especially the consumption needs of students who organize independently, from the income of the parents or independently, they undergo a variety of economic activities which are not proportional.

This trend is evident from the absence of priority scale formation on economic activity, such as, the pattern of consumption of less programmed and no consideration of consumption, and consideration of the needs of others. Sometimes, too, in the fulfillment of his desire to be an item, they tend to reduce the allocations over their basic needs. In addition, the state of friendship environment supported by many entertainment facilities and tantalizing culinary bit much an impact on the financial arrangements and consumption patterns of students in general.

Cheekily, and competition in friendship sometimes make irrational consumption patterns and in turn affect their own financial circumstances. Financial accountability to parents who are not being met, allegedly also can cause delays in the child understand what the importance of the financial regulation itself.

Financial education is not only able to make you use the money wisely, but also can provide economic benefits. Thus, consumers who have good financial literacy will be able to use the money according to what they need, so that this will encourage manufacturers to make products or services that are better suited to the needs of consumers and encourage consumers to spend money in accordance with their needs in a rational way.

An Australian study has revealed that an increase in financial education at 10% of the population will potentially boost the Australian economy by 6 billion Australian dollars per year by opening 16,000 new jobs. It could all happen because people are increasingly aware of the importance of managing finances

and how to use it for the future. Therefore, should the children of school have been provided with financial education, so that later they can have control over the money they have.

The learning characteristics according to Bernard (1971), did not arise suddenly / spontaneous, but rather arise as a result of the participation process, the experience, the habit of self-study time and work, and other attitudes. Individually, the motivation is regarded as a related to the human needs. The point is someone motivated to manage finances if the results of activities that meet their needs. Criteria satisfying its own needs described by Maslow (in Elliot; et. Al, 1996: 334-335; Maslow, 1997), which was formulated as follows: 1) self-actualization 2) self-esteem, 3) love and belonging, 4) safety, 5) physiological needs.

METHOD

Type And Source Of Data

This study used a qualitative research with phenomenological approach. Qualitative approach in this study is more natural, descriptive, and inductive. Natural means that the setting is a natural source of direct data, so that researchers should be able to enter directly into the background research those students at the Faculty of Economics, University of Malang.

Descriptive nature means that the data collected in the form of words and images, so as to provide support to the description presented in the research report, disclosed excerpts of the data as a result of the disclosure of the respondent.

Search data in this study is not to prove or disprove the hypothesis, but rather create abstractions when the particular facts have been gathered and grouped together, which means that the analysis in this study is inductive.

The location of this research is the Faculty of Economics, University of Malang as an institution of higher education providers in economics. Source of data in this study are not quantified but based on snowball sampling. The subjects were students enrolled in the economics faculty in each department on the grounds that, students of economic faculties have studied all aspects of the

economy including in-depth material about the economy, introduction of accounting and management of the expected introduction can combine theory with practice in daily life, particularly in personal financial arrangements.

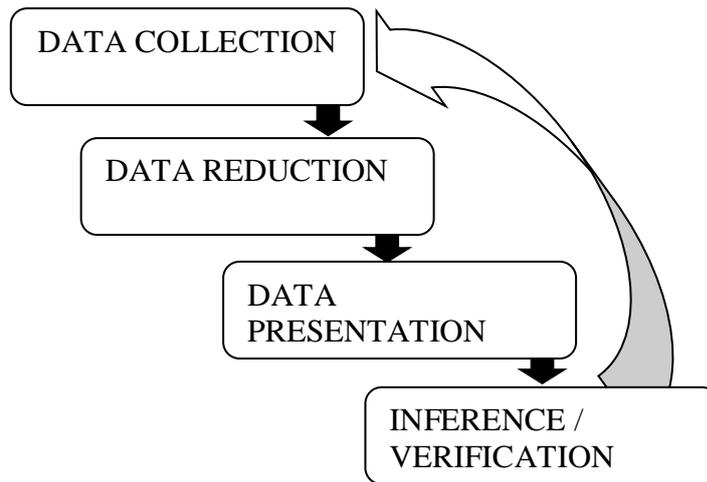
DATA ANALYSIS

Analysis of data on qualitative research has been basically initiated when investigators entered the setting even when preliminary studies conducted, but generally begins when examining the data available. Data were obtained from interviews and observations, can be notes, transcripts of recorded interviews, official documents and personal documents, which further studied and analyzed.

The next step data reduction is performed by making an abstraction that contains a summary of the core, processes and statements that need to be maintained in order to remain in the research context. Next, the data is organized into units which further categorized. Along with the categorization of data coding is done anyway. The next stage, the examination of freedom of data, followed by interpretation and meaning of the data.

The possibility of new data in the study requires transparency in data analysis. The process of data analysis is conducted continuously (cyclical) since researchers entering the field through research activity is over. The research activities cannot be separated from the following four activities: (1) data collection; (2) the reduction of the data; (3) the presentation of data; (4) The inference / verification.

The data analysis process can be described in the following models:



Picture 1 Data Analysis

Validation of research needs to be done in an effort to gain the credibility of the research include:

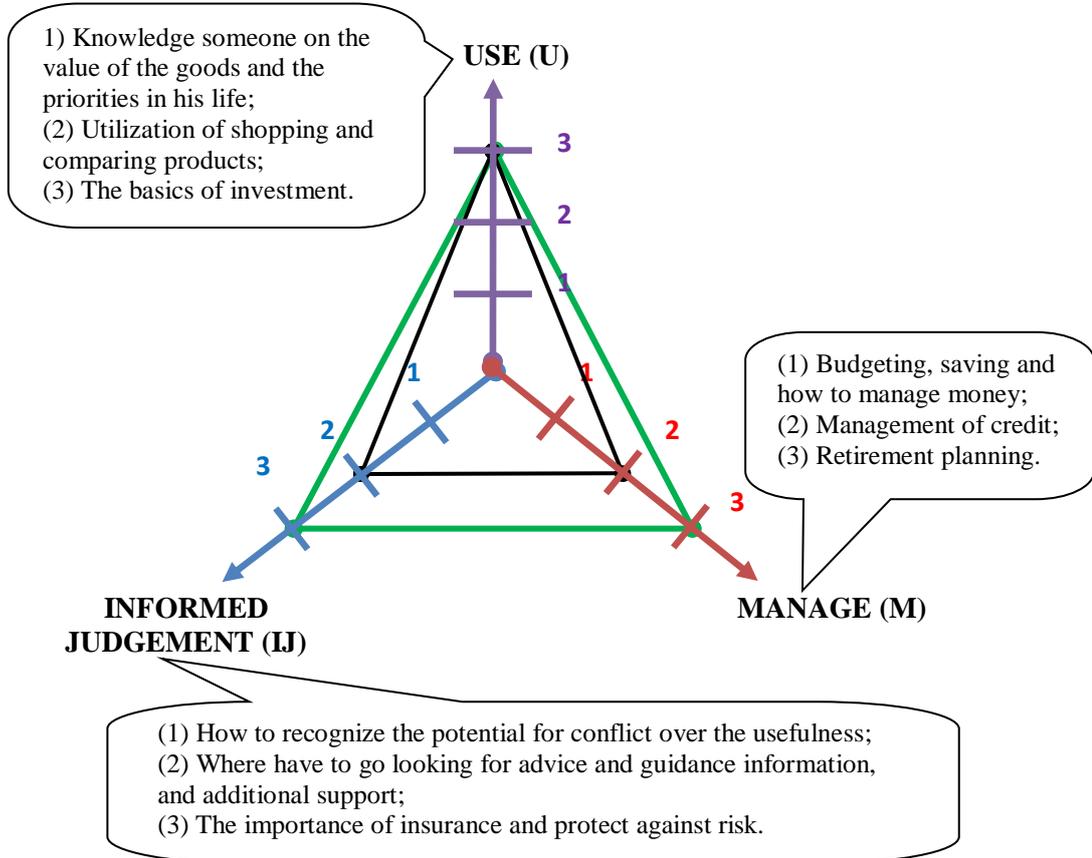
1. Extension of observation time
2. Triangulation
3. Member check
4. Audit trail
5. Expert opinion

This research was conducted with the following stages:

1. Stage of pre field
 - Prepare the study design (proposal and research instruments)
 - Choosing a research field
 - Taking care licensing
 - Setting up research equipment
2. Stage of field work
 - Limit background research
 - Data collection
 - Checking the validity of the data
3. The data analysis phase
 - Data analysis
 - Preparation of research report

RESULTS

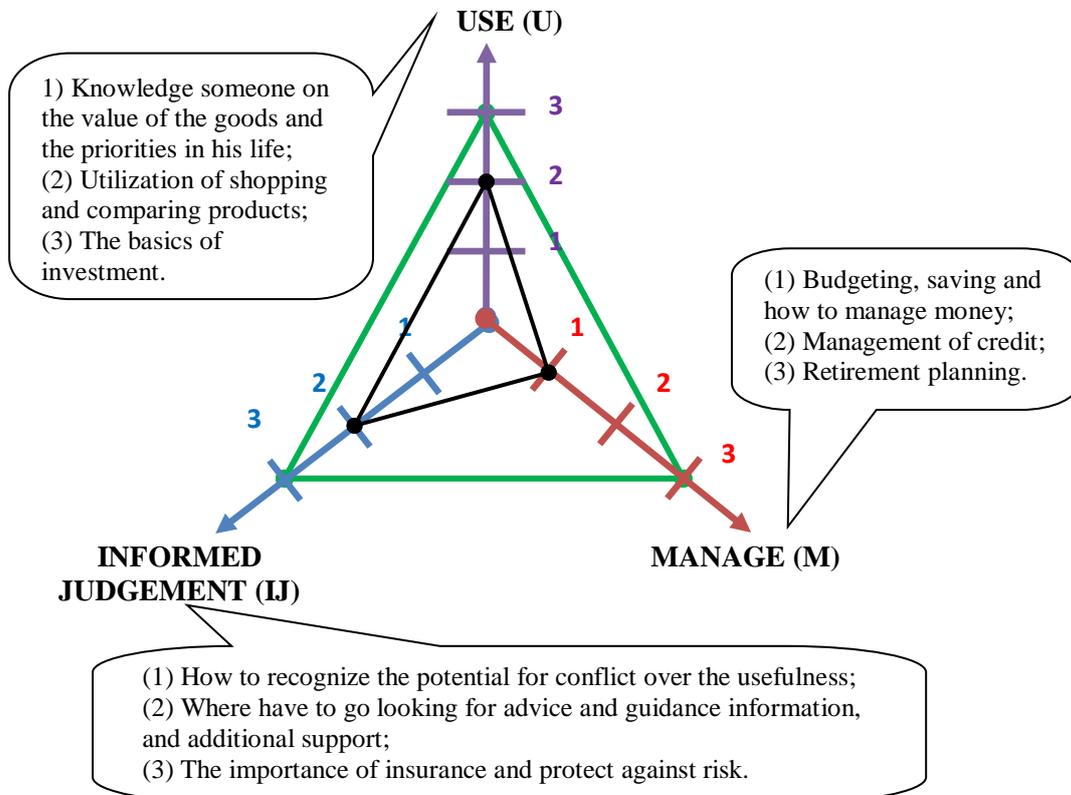
Financial Literacy Student -Oriented On Consumption & Production Supplies



Radar above explains that the ideal conditions of a person's financial literacy is on the green line, where a person has a financial literacy that is offset by the wisdom of his decision optimally. Students with financial literacy on the condition $U = 3$; $M = 2$; and $IJ = 2$, has the best ability based on experience, activities for the management and use of funds. ($M = 2$) This situation has been in the context of the management of the respondents is high because of the mindset of the respondents more inclined to desire to achieve everything he dreamed about (production). ($N = 3$) in the use of funds, students tend to prepare breakthroughs to increase their income without compromising the needs of individual importance. Whereas in the context of wisdom ($IJ = 2$) students in this type already have the attention of the surroundings before making a decision, because every decision will have an impact on the environment. Students in this type

actually own consciousness, Literacy is in use and the use of funds, it's just lack the skills in management but has been fairly safe from the risks of failure management.

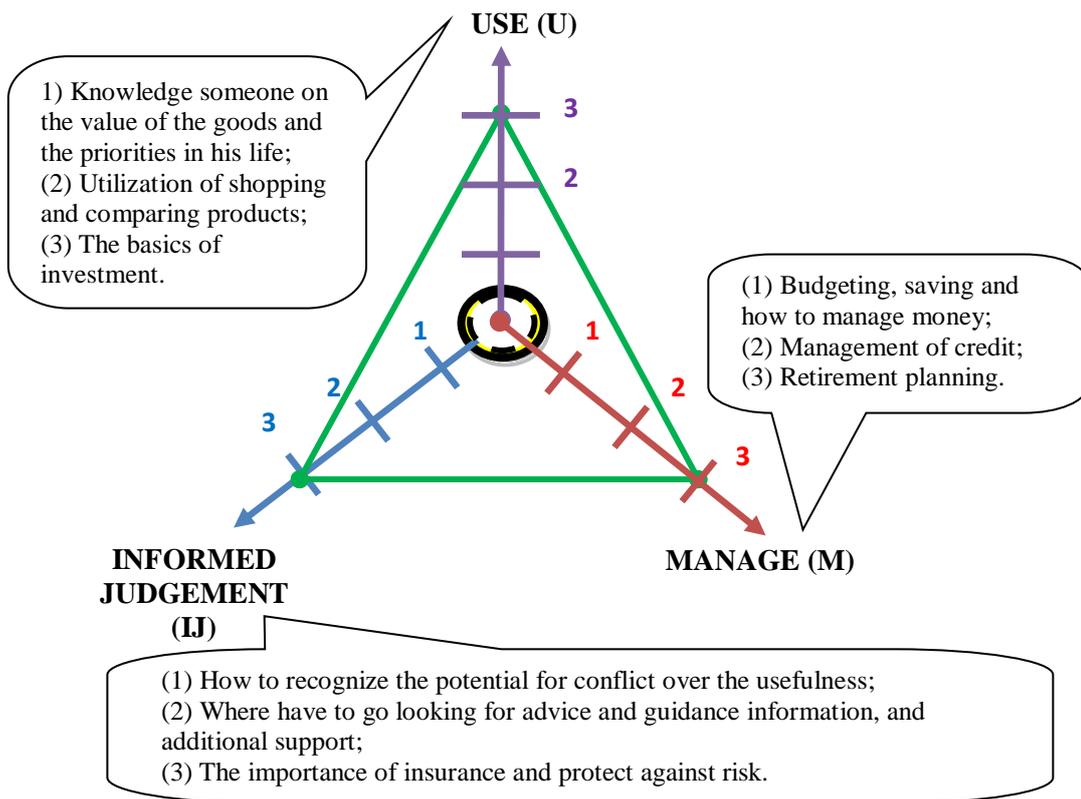
Motives Student -Oriented Financial Literacy at Consumption & Production Supplies



Radar above explains that the ideal condition of a person's financial literacy is on the green line, where a person has a financial literacy that is offset by the wisdom of his decision optimally. Students with financial literacy on the condition $U = 2$; $M = 1$; and $IJ = 2$, has the ability was based on the experiences, activities for the management and use of funds. ($M = 1$) This situation has been in the context of management respondents fairly moderate because of the mindset of the respondents more inclined to desire to achieve everything he dreamed about in the form of consumer goods regardless of how revenue can be an income that can satisfy other needs (additional revenue) without having faced with the choice of consumption decisions. ($N = 2$) in the use of funds, students tend to be careful and

selective in making consumption decisions, which is based on the level of need and usefulness of the consumer goods. Whereas in the context of wisdom (IJ = 2) students in this type already have the attention of the surroundings before making a decision, because every decision will have an impact on the environment. Students in this type actually own consciousness; Literacy is in use and the use of funds, only lacking long-term considerations and skills in management so that spelled danger of the risks of failure management.

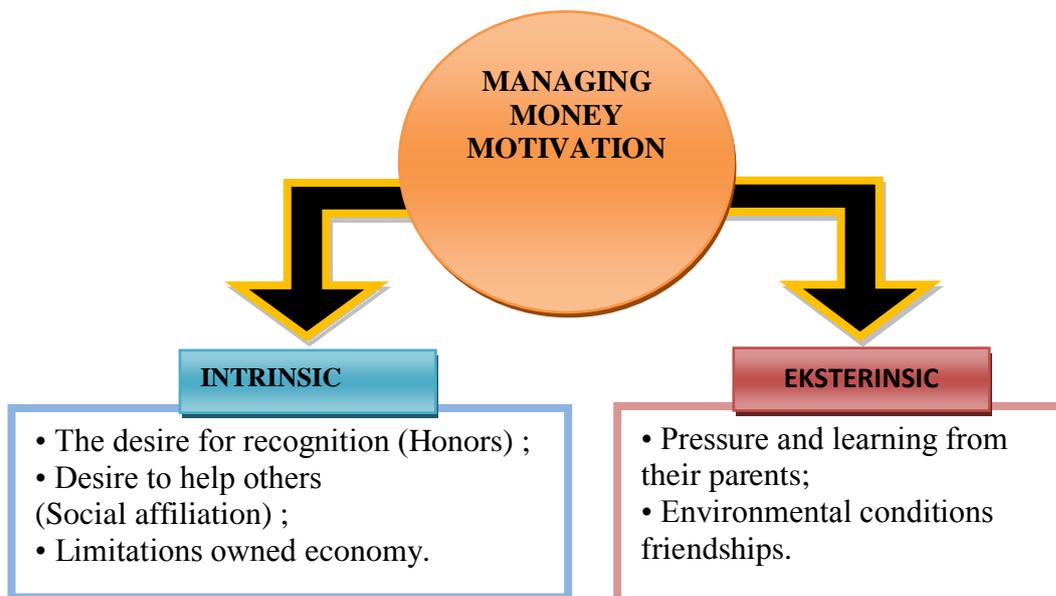
Financial Literacy Student Oriented Fund Application for Consumption Needs



Radar above explains that the ideal condition of a person’s financial literacy is on the green line, where a person has a financial literacy that is offset by the wisdom of his decision. Students with financial literacy on the condition U = 0; M = 0; and IJ = 0, has the lowest ability based on other types. (M = 0) of students in this type tend to have never had experience in financial management, this is due to less exposure of parents to receive the child's growth with

independence, so that children tend to be pampered and treated like a child who familiarized guided only. (U = 0) in the use of funds, the student already has a concern in his mind, just, have less control over their consumption emotion. Whereas in the context of wisdom (IJ = 0) personal defeat with emotion on this type of student respondents did not make so care about the opinions of others except the parents, only when he is far away from their parents, they tend to undergo what he craved without any consideration. Students in this type actually own consciousness; Literacy is in use and the use of funds, just not able to beat the emotions consumption in its application.

Circle Motivation Managing Finance



The family as an institution (institution) which can meet the needs of human (human), particularly the need for the development of his personality respondents. If the role of the family associate with efforts to meet the needs of the individual, the family is the first institution that can meet the needs for the development of personality. In addition, the environmental conditions more or less friendship also helps the respondent to adopting behaviors emerging economies.

Internally, the tendency wants to get recognition of independence (motives of achievement) from the audience, encouraging respondents to act

progressive achieve economic goals each. The context of the economic objectives which are formed in the society in general is the achievement of economic governance regularity achieve prosperity. On the other hand, there is also a social motive (motive affiliates) that morally encourage some respondents to do better in its finances. Embarrassment, less comfortable with the economic situation of others inspire the respondent to look in the mirror and repair and improve its financial management. In addition, the limitations of respondents to achieve economic satisfaction, also allegedly a driving factor changing conditions respondent financial literacy. As expressed by Mc Clelland in theory need for achievement (recognition) explained that, namely:

“Need for Achievement is related to the difficulty of tasks people choose to undertake. Those with low N-Ach may choose very easy tasks, in order to minimise risk of failure, or highly difficult tasks, such that a failure would not be embarrassing. Those with high N-Ach tend to choose moderately difficult tasks, feeling that they are challenging, but within reach.

People high in N-Ach are characterised by a tendency to seek challenges and a high degree of independence. Their most satisfying reward is the recognition of their achievements. Sources of high N-Ach include: (1) Parents who encouraged independence in childhood, (2) Praise and rewards for success, (3) Association of achievement with positive feelings, (4) Association of achievement with one's own competence and effort, not luck (5) A desire to be effective or challenged, (6) Intrapersonal Strength. ”

Expectations of respondents achievement of success (according to their respective destinations) suppose to be the biggest driver for recognition of the success of financial management in the risk reduction, efficiency and production. Behind it there are special events such as the expectations of the deceased parent to see the children's success is also regarded as one of the background that encourages respondents to achieve the goal. With the emerging trends are:

1. Establish targets rather difficult (but not impossible) for themselves.
2. Taking a realistic approach to risk.
3. More to the analyzer and assess problems.
4. It likes to take personal responsibility for implementing something assignment.
5. Likes rewards precise and fast against their achievements.
6. Hardworking
7. Tends to do something alone.

And the theory of achievement needs (recognition) above, respondents in these conditions there is also gregarious typically (affiliate theory) are described as follows:

"The Need for affiliation (N-affil) is a term that was popularized by David McClelland and describes a person's need to feel a sense of involvement and" belonging "within a social group; McClelland's thinking was strongly influenced by the pioneering work of Henry Murray who first identified the underlying psychological human needs and motivational processes (1938). It was Murray who set out taxonomy of needs, Including achievement, power and affiliation-and Reviews These placed in the context of an integrated motivational models. People with a high need for affiliation require warm interpersonal relationships and approval from Reviews those with Whom they have regular contact. People who place high emphasis on growing niche affiliation to be supportive team members, but may be less effective in leadership positions. "

The need for affiliation reflects the desire to interact socially with others. Someone with a high need for affiliation puts the quality of personal relationships as the most important thing, therefore social relationship precedence over task completion is suppose to be the biggest driver of respondents who make less consistent in the implementation of the consumption strategy. With properties appears as follows:

1. Trying to maintain good social relationships
2. Mutual understanding.
3. Care for others.
4. Helping people in distress.
5. Enjoying an intimate relationship with another person.

Conditions Economic Rationality based Financial Literacy Faculty of Economics, University of Malang

Level of Financial Literacy	Context Economic Rationality		
	Risk reduction	Strategies in consume	Efficiency and Optimization of resources
High	<ul style="list-style-type: none"> • Sign in prediction ; • There is already a planned reduction (just in case) ; • Being a lesson that did not happen ; • Completed with self- 	<ul style="list-style-type: none"> • The allocation in accordance with the priorities ; • A thorough analysis of the activities of consumption ; • consumption behavior 	<ul style="list-style-type: none"> • Convert the consumption needs to be something that can generate revenue (production) • Running a credible form of economy with

	contained .	does not harm others ;	consideration of time and accuracy
medium	<ul style="list-style-type: none"> • Input ; • Errors often repeated ; • Sources of funds into money management failure prevention object 	<ul style="list-style-type: none"> • Classified unstable in priorities and consumption decisions ; • Tend to satisfy yourself 	<ul style="list-style-type: none"> • Tend to the effectiveness of consumption.
low	<ul style="list-style-type: none"> • If you fail to manage returned to parents as a source of funds. 	<ul style="list-style-type: none"> • No priorities Level Analysis What is clear , tend to Satisfy Yourself And No Matters Needs Coming future will be . 	<ul style="list-style-type: none"> • Do not unthinkable

For some respondents, limited funds and hopes to encourage the consumption of respondents planning to be more rational to consumption activities efficiently and optimize the proceeds to generate excess funds. Some respondents who believe another, that originated from rational knowledge on consumption that encourages people to make money management. Slightly implied that the factor of education, culture and the moral of the parents in using the money they had in fact classified as a factor to be considered by the respondents in analyzing its choice of consumer goods. It is not discussed further because it is not included in the context of the research conducted.

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