Internal Factors Affecting Financial Literacy in Digital Wallet Service Users

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Abstract

This research aims to discover the factors that can influence financial knowledge, financial behavior, and attitude toward the financial literacy of OVO users in Jakarta. This study used 235 OVO user respondents who live in Semarang and collected data using a questionnaire. The design of this study uses a quantitative method with a descriptive approach and the sampling technique for this research is a non-probability sampling technique. Data analysis in this study used a structural equation model (SEM) with SmartPLS Version 3.3.2 software as a data analysis tool. The results of this study provide an overview of the positive influence of each of these variables, namely financial knowledge, financial behavior, and financial attitude on the financial literacy of OVO users.

Keywords: *Financial Knowledge; Financial Behavior; Financial Attitude; Financial Literacy*

Introduction

Development technology Which the more sophisticated makes the whole activity a day- The day is also getting easier, including in terms of transactions and playing financial technology (*financial technology)* or also known as electronic money to facilitate financial instruments. Based on published statistical data by Bank Indonesia (2020a), "There are a total of 51 registered electronic money issuers at the bank Indonesia and until July 2020 amount Money electronic circulating in Indonesia amounted to 359,670,019 unit instrument. This amount of electronic money continues has increased from year-to-year, Which means there is *finance technology* stimulates the growing economy as well as perpetrator economy in Indonesia."

According to Nemeth *et al.*, (2016).,*" Financial literacy* is present along with development technology finance is the ability public to process various knowledge finance and make proper financial planning in investment, expenditure, control, and funds retirement. related with enhancement use nor enhancement user Money electronic, product as well as service new Which Keep going repeat, so public start adopting financial management in electronic media and starting to reduce usage bank conventional

where understanding public will *finance literacy* will increase." Like, matter his appearance use multiple digital wallets used for the public For various type transaction finance for example OVO, Go-pay, DANA, and Shopkeeper.

According to the OECD (2013), "Besides knowledge and awareness of finances, attitude and behavior finance Also very need for noticed so that *finance literacy* public increase. The connection between attitude finance, behavior finance, and interrelated financial knowledge need to be studied in depth to know the connection between dimensions of *finance literacy."* Bhushan & Medur (2014) "conclude that We must focus on the development of favorable *financial attitude side for the people of the country with an interest in use* raise the level of *financial literacy* in society and between generations so that reach benefit Which realized from education finance."

Atkinson and Messy (2012) "Said that positive *financial behavior* in the form of good financial planning, including managing expenses and maintaining stability finance capable increase *finance literacy of* individual, whereas Negative *financial behavior* is dependent on credit and loans, therefore That matter This capable dependent Happy finance." According to Hilgert et al, (2002) previous studies on *financial literacy* and financial knowledge found that there was a positive association between the level of *financial literacy* and education and income levels.

This study aims to test financial *behavior, financial attitude* and *Financial knowledge* is able to influence people's beliefs and shape them something understanding to public about system method manage finance (financial *literacy*) sake reach better life and financial management in the future for users -OVO digital wallet. The benefits of this research can be a reference for digital wallet users on the importance of understanding *finance literacy* and the factors that influence it such as *financial behavior, financial attitude,* and *financial knowledge* in management future finances. A number of the proposed hypothesis in study This are: Hypothesis 1 (H1) the effect of financial attitude (FA) on financial literacy; Hypothesis 2 (H2): There is an influence of financial behavior (FB) on financial literacy; Hypothesis 3 (H3): There is an effect of financial knowledge (FK) on financial literacy of users service OVO digital wallet.

Research Method

Population in study This is whole user OVO digital wallet in Jakarta the technique used is convenience sampling, because respondent chosen as sample. Data collection through questionnaire done online. Data collection techniques with spread questionnaire via google forms. SEM analysis technique using Smart PLS. The analytical technique used is SEM with PLS software.

Results and Discussion

Respondent Profile

Study This using a sample of 235 OVO user respondents who live in Jakarta. the age of a total of 235 respondents who use OVO and live in West Jakarta are as many as 27 respondents aged less than 20 years (11.48%), 191 respondents aged between 20-30 years (81.28%), 6 respondents aged between 31-40 years (2.56%) and 11 respondents aged more than 40 years (4.68%) at the highest educational level SMA/SMK was 147 respondents (62.55%), last education level D3 was 5 respondents (2.13%), education level last S1 was 78 respondents (33.19%), last education level S2 was 4 respondents (1.70%) and last education level S3 was 1 respondent (0 .43%)

Analysis

Processing uses PLS-SEM software which consists of two analyzes, namely the outer model and the inner model.

Outer Model

Based on the analysis of the results of the measurement model (Outer Model Analysis) it is known that all indicators used to measure research variables are valid and reliable so that they can represent research variables and can be trusted and reliable

Table 1. Convergent Validity, Composite Reliability and Cronbach Alpha

	Convergent Validity(AVE)	**Composite reliability**	**Cronbach Alpha**
FINANCE ATTITUDE	**0.562**	**0.884**	**0.842**
FINANCE BEHAVIOR	**0.504**	**0.802**	**0.678**
FINANCE KNOWLEDGE	**0.560**	**0.833**	**0.734**
FINANCE LITERACY	**0.562**	**0.884**	**0.841**

Source: Olah data

Based on results the analysis above, the AVE value of each variable in the table own value above 0.5 so _ can concluded that variable above _ has fulfil analysis validity convergence that can be measured with AVE value. From the results analysis reliability show that Cronbach's Alpha and Composite Reliability scores for each indicator variable own mark bigger from 0.60 (>0.60) up to all indicator every variable has fulfil terms and conditions reliable.

Inner Model

a. Coefficient of Determination Test (R^2)

The Results of the Coefficient of Determination

The coefficient of determination test is carried out to measure how strong the ability is model in explaining variables depends. The bigger the value R^2 approach 1, so the independent variable has provided everything the dependent variable and Also means that model study Good exists.

Table. Results Test Coefficient Determination

	R Rectangle
FINANCE LITERACY	0.743

Source: Olah data

Mark R^2 Which obtained is as big 0.743 Which means can settlement that *finance literacy* can clear as big 74.3% by variable *finance attitude, financial behavior* and *financial knowledge,* while the remaining 25.7% is explained by variable other Which is outside from study This.

Inner Model Test
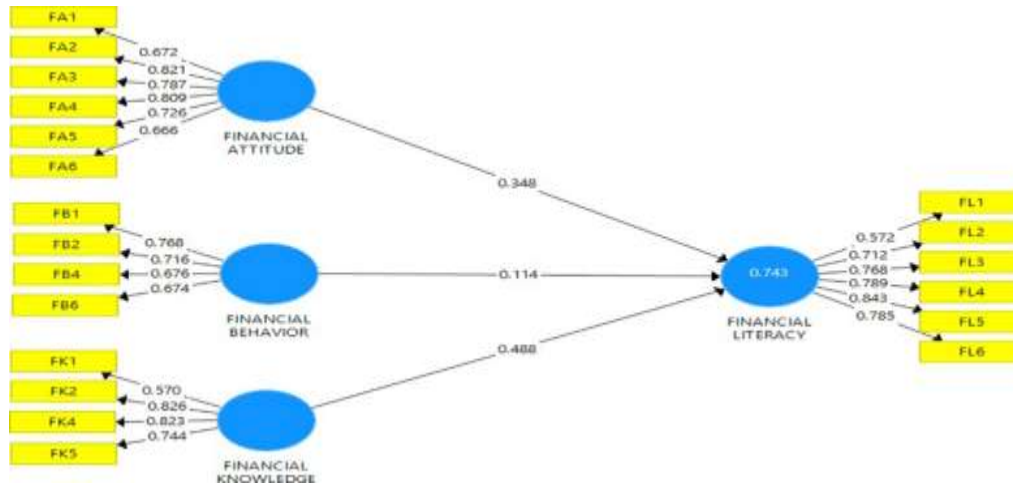
Figures 2. Bootstrapping Test Results

Table 5. Bootstrapping Test Results

	Original Sample (HI)	Q statistics (|O/STDEV|)	P Mark
FINANCIAL ATTITUDE ->FINANCE LITERACY	0.348	5,887	**0.000**
FINANCE BEHAVIOR ->FINANCE LITERACY	0.114	1984	**0.048**
FINANCIAL KNOWLEDGE ->FINANCE LITERACY	0.488	10.233	**0.000**

Based on table 5. the results of the hypothesis testing above, the conditions for a hypothesis the research is accepted or not rejected if the *t-statistic value* of the variable is greater than 1.96 and has *a p-value* smaller than 0.05 (<0.05). From the results table the show that *p*-value *mark* from third variable independent to the dependent variable in this study is less than 0.05 and the statistical *t-value* obtained all three more from 1.96 with details as following:

Table 4. 12. Results Testing hypothesis

Symbol	hypothesis	Results
H 1	There is influence *finance attitude* to *financial literacy.*	hypothesis accepted
H 2	There is influence *finance behavior* to *financial literacy.*	hypothesis accepted
H 3	There is influence *financial knowledge* to *financial literacy.*	hypothesis accepted

Discussion

From the results of hypothesis testing, this test is carried out to find out whether hypothesis study Which has formulated accepted or No accepted, with say other rejected on table results test hypothesis can explained as following:

H hypothesis First (H1) shows that *finance attitude* proven influence *finance literacy*. Matter This proven with mark t-*statistic* that is greater than 1.96 is 5.887 and *the p value* is less than 0.05 as big 0.0000. With other word, hypothesis First (H1) accepted. This means that knowledge and awareness of finance, attitude and behavior finance Also very need for noticed so that *finance literacy* public increase. Connection between attitude finance, behavior finance and related financial knowledge. The results of this study are in line with research Which done by Rahmayanti, et al (2019)" *finance attitudes* influence *financial literacy*. The better *the financial attitude,* then individual *financial literacy* will also increase. *Financial attitudes* make individuals more alert and intelligent in planning, decision making and management finance, Good in form *finance technology* or No."

The second hypothesis (H2) proved that *financial behavior* influence *finance literacy* Look from mark *Q statistics* as big 1984 Which more big ɗ1.96 and a *p-value* of 0.048, or in other words *the p-value* is less than 0.05 so that the second hypothesis (H 2) stated accepted. This describes Cara somebody in demand will influence Happy his finances in a manner significant. This research is in line with research conducted by the OECD (2013), "*financial behavior* is very important and is component Which fundamental from *finance literacy.*

The third and last hypothesis (H3) also has a larger *statistical t-value* of 1.96 and a *p-value* less than 0.05. The *statistical t*-value obtained is of 10.233 and the *p-value* obtained is 0.000. So, it is proved that *finance knowledge* influence *finance literacy,* by Because That hypothesis third (H3) stated accepted or no rejected. This research is in line with Van's research Rooij, Lusardi, And Alessie (2011)" identify that *finance knowledge* has a positive relationship with retirement planning and individual own knowledge finance more literate finance." According to studies previously about *finance literacy* with *finance knowledge,* found that there is an association Which positive between *financial literacy* level with education level and income level (Hilgert *et al,* 2002; Perry and Morris, 2005). Perry & Morris (2005) "stated that individuals who have a better level of *financial literacy are more likely to* keep budget as well as planning finance period front."

Conclusions and Suggestions

Conclusion

Based on the results of the analysis then study can be concluded as follows:

There is influence *finance attitude* on *finances literacy*.

There is influence *finance behavior* to *financial literacy.*

There is an influence of financial knowledge on financial literacy.

Suggestion

For the people of Jakarta, it is hoped that they will be smarter in choosing promos and methods payment using a digital wallet because nowadays there are more and more digital wallet choices. By having adequate financial literacy which is formed from financial attitude, financial behavior and

financial knowledge in everyday life, people will be more financially literate so that financial prosperity will be achieved.

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