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The influence of financial literacy and financial inclusion in student saving interest at bank BRI

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ABSTRACT

The financial level of a country will encourage the development of the country's economy. Internal and external factors cause high and low financial management behavior. This study aims to develop a model that examines the three variables that the author has analyzed to determine the factors that can increase student interest in saving. This study used an associative descriptive quantitative method with a population of 102 respondents drawn into a sample using non-probability sampling, using saturated sampling / total sampling method. Data analysis techniques using linear regression with the help of SPSS software version 26. The first hypothesis of knowledge significantly affects students' interest in saving, the second hypothesis of financial literacy variables has a significant impact on students' interest in saving, and the third hypothesis of knowledge and financial literacy together can affect students' interest in saving. This research is expected to make theoretical contributions to the literature in this context, including in the context of financial and banking management.

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1. Introduction

Managing finances well is one of the wise actions that can be taken to improve economic conditions, both for yourself, your family, and the institution. By managing finances well, a person can improve his current and future financial situation. Managing finances is not accessible if individuals are not equipped with solid abilities, skills, and desires (Elghaish et al., 2022; Paarima et al., 2021). In addition, managing finances can be better if individuals have good behavior. Financial management is the responsibility of every individual for their finances because financial management is related to the needs of daily life, one of which is to foster an interest in saving (Mang'ana et al., 2023; Peng et al., 2023). For banks, it is essential to provide trust and satisfaction for customers in utilizing their products. So, banks must know and understand the behavior of their customers, whereas prospective customers are currently very selective and have sufficient knowledge of banking (Rikayanti & Listiadi, 2020; Ubaidillah & Asandimitra, 2019). The cautious attitude of each prospective customer in choosing a banking product makes the prospective customer consider many things before deciding to take advantage of the services offered by the bank. This influences the strategy, method, and approach to banking marketing (Krisdayanti, 2020; Nurrohmah & Purbayati, 2020).

Interest in saving is a business where someone sets aside money and uses it in the future. Saving is one way to control one's finances in life. A person can set aside a portion of his property to meet his needs in the future. However, saving has not become a habit for most people in Indonesia (Nurrohmah & Purbayati, 2020). Interest is a person's tendency to do a particular activity among several other activities. Interest is a person's affective tendency to make choices of activities and individual conditions that can change a person's interest so that it can be said to be an unstable interest. So, something must be generated, both from within and outside, to like something. Savings are funds or wealth for future needs (Candera et al., 2020; Krisdayanti, 2020; Nurrohmah & Purbayati, 2020). Saving can also be interpreted as an activity where someone saves his money in the bank and saves. Keeping yourself has many benefits, such as learning to live frugally by setting aside income or income to avoid less valuable expenses besides the benefits of saving can prevent debt and financial reserves in urgent circumstances (Chen, Yu, & Sun, 2023; Martins et al., 2022). Interest is a sense of preference and interest in something or activity without anyone telling you to. From this statement, it can be concluded that someone interested in an activity will pay attention to the movement consistently with a sense of pleasure because it comes from within a person based on satisfaction, and there is no coercion from outside parties. In other words, interest is a sense of preference and attraction to something without pressure. (Krisdayanti, 2020).

Financial literacy is closely related to individual well-being. Financial knowledge and skills in managing personal finances are essential in everyday life. Financial difficulties are not just a function of income alone (low income) (Ankrah et al., 2023; Callis et al., 2023). Financial difficulties can also arise if there is mismanagement, such as credit abuse and lack of financial planning. Financial limitations can lead to stress and low self-confidence. The existence of financial knowledge and financial literacy will help individuals in managing personal financial planning so that individuals can maximize the time value of money and the benefits obtained by individuals will be greater and will improve their standard of living (Choi & Kim, 2023; Zhang et al., 2024). The critical mission of the financial literacy program is to educate Indonesians in finance to manage finances intelligently so that low knowledge of the financial industry can be overcome and people are not easily deceived by investment products that offer high returns in the short term without considering the risks. Due to the need for public understanding of the products and services provided by financial service institutions, the national financial literacy strategy program has launched three main pillars (Ha et al., 2023; Zhao et al., 2023). First, encourage education programs and national financial literacy campaigns. They were second, strengthening financial literacy infrastructure. Third, the development of affordable financial products and services. Implementing these three pillars is expected to help Indonesian people with a high financial literacy choose and utilize financial service products to improve their welfare. (Yushita, 2017).

Financial inclusion is the availability of access to financial institution products and services tailored to the needs and capabilities of the community to raise their standard of living. The financial inclusion system makes it easier for everyone to save, make loans, build their assets, and invest in growing their standard of living (Koomson et al., 2023; Jamil et al., 2024). Financial inclusion needs to be developed, especially among students, because the easy access provided by financial institutions can help students save at financial institutions. The availability of banks, ATMs, and cash deposit machines in the surrounding environment will make saving more straightforward for students. In addition, financial institutions also provide SMS Banking, M-Banking, or Internet banking services that make it easier for students to access. The higher the use of banking service facilities and products, the higher the utilization of derivatives, such as savings, in banking services (Sekarwati & Susanti, 2020). Financial inclusion can be defined as the process of ensuring access to financial services and credit that can be accessed by the weak and low-income at an affordable cost. Financial inclusion is a popular term among the public as a financial contribution to sustainable development, but not many people understand this term (Hua et al., 2023; Yin et al., 2023). Even though in everyday life, without us knowing it, we have done many activities that are part of financial inclusion. Financial inclusion is the ability of individuals or groups to access financial products and services. The services in question are formal services that are useful and affordable and can meet their needs, such as transactions, payments, savings, credit, and insurance, responsibly and sustainably (Bakhsh et al., 2024; Oyewole et al., 2024; Widyastuti et al., 2023).

This study aims to develop a model that examines the three variables that the author has analyzed to determine the factors that can increase student saving interest behavior. This research is expected to make theoretical contributions to the literature in this context, including in the context of financial and banking management.

2. Research Method

This research was conducted on Primagraha University students allocated in Serang City who did not have BRI Bank savings. In this study, the method used by the author is quantitative descriptive research with a causal approach. The causal process is an analysis that will look for a picture of relationships, influences, impacts, and causal effects from various concepts or factors or, in some ways, designed in management science. The population in this study was Primagraha University students in the third semester evening regular class because students already had jobs and did not have BRI Bank savings, totaling 102 respondents. A saturated sampling technique means the entire population is taken as a sample. The data collection technique used in this study used a questionnaire with a Likert scale of 1-5 using the scale method of strongly disagree, disagree, doubt, agree, and strongly agree. Based on the research sample, only 102 respondents were obtained from the questionnaire the author had obtained when to get data by typing a Google form link from November 5, 2023, to December 3, 2023. We processed the data with the IBM SPSS version 26 assistance program. The data analysis technique in this study is a descriptive analysis using the SPSS assistance program version 26, then to determine the influence between variables using inferential analysis with the SPSS assistance program version 26 through validity test analysis, reliability calculations, and then classical assumption tests including data normality. In this study, the author formulated a research hypothesis. The author developed an idea, namely H1: Financial literacy variables have a significant effect on interest in saving, H2: financial inclusion variables significantly impact interest in conservation, and H3: financial literacy variables and financial inclusion simultaneously have a significant effect on interest in saving.

3. Results And Discussions

Before testing assumptions, it is necessary to test validity to show how positive an instrument is or how to measure something designed. Financial literacy was measured using five statements, financial inclusion using five accounts, and interest in saving using five accounts. This study tried to test validity by looking at the validity number of the correlation value of the correction. Furthermore, the results of the validity test calculation and the results of reliability calculations for each variable can be seen in Table 1, validity and reliability below.

Table 1. Validity and reliability test

Item Statement	Validity Convergent	r-table	Decision	Reliability Convergent
Financial Literacy (X2)				
FL_1	0.518	0.195	Valid	
FL_2	0.555	0.195	Valid	0.802
FL_3	0.694	0.195	Valid	
FL_4	0.442	0.195	Valid	
FL_5	0.752	0.195	Valid	
Financial Inclusion (X2)				
FI_1	0.630	0.195	Valid	
FI_2	0.622	0.195	Valid	0.856
FI_3	0.724	0.195	Valid	
FI_4	0.649	0.195	Valid	
FI_5	0.746	0.195	Valid	
Saving Interest (Y)				
IS_1	0.644	0.195	Valid	
IS_2	0.683	0.195	Valid	0.847
IS_3	0.691	0.195	Valid	
IS_4	0.562	0.195	Valid	
IS_5	0.710	0.195	Valid	

Table 1 shows that all statement indicator variables for each variable on each indicator have an r-count value of > 0.195, which automatically meets the data validity standard. The needle is considered accurate if each r-calculate point of validity value r is > 0.195. Not only look at the validity of the reliability value as well, which must be greater than 0.60. The average alpha value lies above 0.60. The following are the results of the classic assumption test from normality data that are proven to be normally distributed data, as seen in Table 2 below.

Table 2. One-sample kolmogorov-smirnov test

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		102
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	1.75343981
Most Extreme Differences	Absolute	.153

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
	Positive	.068
	Negative	.153
Test Statistic		.153
Asymp. Sig. (2-tailed)		.078[c]

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.

Table 2 shows the magnitude of the Kolmogorov-Smirnov normality and obtained Asymp values. Sig. (2-tailed) A value of 0.078 indicates residual data that has a significance value greater than 0.05. The following results of the multicollinearity examination can be seen in Table 3 below.

Table 3. Multiklonieritas test

Tableicients[a]			
Model		Collinearity Statistics	
		Tolerance	VIF
1	Financial Literacy	.445	2.247
	Financial Inclusion	.445	2.247

a. Dependent Variable: Interest in Saving

Based on the results of the multicollinearity test in Table 3. It can be known that the value of the Variance Inflation Factor (VIF) is 2.247, and the Tolerance value is 0.445. The result of the multicollinearity test decision is that if the tolerance value (0.445) > 0.10 and VIF (2.247) <10, it can be concluded that there is no multicollinearity between independent variables in this research model. The following multiple linear regression analysis can be seen in Table 4 below.

Table 4. Regresregressionr test

Model		Coefficients a Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	6.749	1.685		4.004	.000
	Financial Literacy	.233	.118	.219	2.195	.039
	Financial Inclusion	.730	.093	.772	7.853	.000

a. Dependent Variable: Interest in Saving

The positive constant of 5.035 means that if the value of the variables financial literacy and financial inclusion equals zero, then the level or magnitude of interest in saving is 6.749. The regression coefficient of the financial literacy variable has a positive value of 0.233, which means that if the value of the financial literacy variable increases one hundred %, then the interest in saving has increased by 0.233 times. The value of the regression coefficient of the financial inclusion variable is positive by 0.730, and this explains that if the value of the financial inclusion variable increases by one hundred times, then the variable of interest in saving increases by 0.730 times. The following analysis results in hypothesis testing are presented in Table 5 below.

Table 5. Hipotesis test

Variable	T-value	P-values	Result
FL ⟶ I	2.195	0.039	Accepted
FI ⟶ FMB	7.853	0.000	Accepted
L & FE ⟶ FMB	66.753	0.000	Accepted

Source: Results of research data processing 2023

Table 5 shows in the first finding that hypothesis one statistically shows that literacy variables significantly influence interest in saving. Sound financial management certainly requires good financial literacy as well. To avoid financial difficulties, financial literacy is a fundamental thing that an individual must own. Students need financial literacy because they often have financial problems. After all, students are often faced with a trade-off, namely in a situation where students must be able to choose one interest and sacrifice the other. A financial problem can also arise when experiencing errors in financial details, such as the absence of sound financial planning (Elghaish et al., 2022; Paarima et al., 2021; Peng et al., 2023).

The second finding shows that the second hypothesis is statistically that financial inclusion variables have a significant influence on interest in saving. Financial inclusion is the availability of access to financial institution products and services tailored to the needs and capabilities of the community to raise their standard of living. The financial inclusion system makes it easier for everyone to save, make loans, build their assets, and invest in growing their standard of living (Koomson et al., 2023; Jamil et al., 2024).

Financial inclusion needs to be developed, especially among students, because the easy access provided by financial institutions can help students save at financial institutions. The availability of banks, ATMs, and cash deposit machines in the surrounding environment will make saving more accessible for students.

The third finding in this study shows statistically, the variables of financial literacy and financial inclusion have an essential and dominant influence on interest in saving. Financial literacy is a person's ability and confidence in managing their finances personally, which can be seen from the accuracy and speed of making decisions but still considering economic events and conditions that often change. Financial literacy can be conceptualized with two main dimensions: understanding and using personal finance knowledge. He further stated that financial literacy can be described as a measure of how well a person understands and utilizes information related to personal finance. Financial literacy is the process of combining a person's skills, resources, and knowledge to process information and make financial decisions. Financial literacy is a person's ability to process economic information and make informed decisions about financial planning, wealth accumulation, debt, and retirement (Candera et al., 2020). In addition, financial institutions also provide SMS Banking, M-Banking, or Internet banking services that make it easier for students to access. The higher the use of banking service facilities and products, the higher the utilization of derivatives, such as savings, in banking services (Sekarwati & Susanti, 2020). Financial inclusion can be defined as the process of ensuring access to financial services and credit that can be accessed by the weak and low-income at an affordable cost. Financial inclusion is a popular term among the public as a financial contribution to sustainable development, but not many people understand this term (Hua et al., 2023; Yin et al., 2023). Even though in everyday life, without us knowing it, we have done many activities that are part of financial inclusion. Financial inclusion is individuals' or groups' ability to access financial products and services. The services in question are formal services that are useful and affordable and can mechanics, such as transactions, payments, savings, credit, and insurance responsibly and sustainably (Bakhsh et al., 2024; Oyewole et al., 2024; Widyastuti et al., 2023).

4. Conclusion

Based on the results of the research and discussion that has been described, this study concludes that the first hypothesis of financial literacy has a significant effect on student saving interest, the second hypothesis of financial inclusion has a partial impact on student saving interest, the third hypothesis of financial literacy and financial inclusion can simultaneously affect student saving interest. Based on the conclusions above, the researcher gave suggestions. For universities, it is recommended to encourage students to be more active in improving their financial knowledge, namely by providing seminars on the importance of saving behavior so that students can manage finances wisely in the future. For students, it is recommended to continue to deepen their knowledge about finance from various sources so that they can increase their interest in saving for the better and can apply it in life. Future researchers are expected to develop similar research by adding other independent and moderating variables in the hope that it can provide more careful results about interest in saving. Researchers can further expand the scope of research to see what factors can affect interest in protection. This research is expected to make theoretical contributions to the literature in this context, including in the context of financial and banking management.

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