

THE FINANCIAL LITERACY AND FINTECH TECHNOLOGY ON FINANCIAL MANAGEMENT OF STUDENTS AT MAKASSAR STATE UNIVERSITY

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Abstract

Financial management is important for students who often face financial challenges due to fluctuating income and expenses. The purpose of this study was to determine the impact of financial education and utilization of financial technology (fintech) on the financial management practices of Makassar State University students. The study used a survey method and 250 students were selected through purposive sampling. Data were collected through questionnaires and analyzed using multiple linear regression to assess the effect of financial knowledge and the use of financial technology on financial management. The results showed that financial education and financial technology utilization have a significant impact on students' financial management, and financial technology has a greater impact. This study highlights the importance of strong financial literacy and effective use of financial technology to improve students' financial management skills. It is recommended that universities strengthen educational programs that focus on financial knowledge and financial technology so that students are better able to face future financial challenges.

Keywords: Financial Literacy, Fintech, Financial Management

INTRODUCTION

Good financial management is very important for all individuals, especially students. Students sometimes experience financial problems, such as expenses that exceed the allowance given. This research requires students to be able to handle their money well, by differentiating between needs and wants. Students who lack this ability are likely to face financial difficulties, which can have an impact on academic and personal life.

Students are often faced with an imbalance between costs and pocket money earned. This research requires students to be able to manage their money appropriately, distinguishing between needs and wants. Without this ability, they risk financial difficulties that will impact their academic and personal lives.

Financial literacy is crucial in this regard. Financially literate students are better able to manage their costs, avoid excessive debt, and plan for the future. Despite the importance of financial literacy, financial literacy among Indonesians is still relatively low. Based on the National Financial Literacy and Inclusion Survey (SNLIK) conducted by the Financial Authority (OJK) in 2024, the level of financial literacy at the national level only reached 65.43%, while financial inclusion stood at 75.02%. This indicates that despite the widening access to financial services,

there are still many individuals, especially students, who do not understand how to utilise them optimally.

On the other hand, advancements in financial technology (fintech) are influencing the way students manage their funds. Fintech offers a wide range of benefits to complete financial activities, including saving, investing, and digital payments that can be accessed anytime, anywhere (Febi & Purwokerto, 2022). Bank Indonesia (2024) stated that digital transactions through fintech surged 30% from the previous year, with 45 million active fintech users. This shows the importance of fintech technology in promoting financial inclusion and opening up access to financial services.

However, even though university students have a good knowledge of financial management and literacy, there are still many problems that arise. The existing phenomenon shows that many university students struggle to manage their finances efficiently, with the main reasons being the imbalance between expenses and pocket money, as well as the lack of financial awareness (Hariyani, 2022). As revealed by (Prayustika et al., 2020), Despite the growing popularity of fintech among students, it has not fully addressed their financial management issues. This indicates that many students have not utilised fintech optimally, either due to limited financial literacy or lack of understanding of the benefits it offers.

Based on this phenomenon, it is important to further investigate how much influence financial literacy and the use of fintech technology have on student financial management. Therefore, this research question is as follows: 1) How does financial education affect the financial management of Makassar University students? 2) What is the impact of fintech on the financial management of Makassar State University students? 3) Do financial education and financial technology simultaneously affect the financial management of Makassar State University students? The purpose of this study was to analyse the impact of financial education and financial technology on the financial management of Makassar State University students.

In addition, this study aims to understand how financial literacy and fintech utilisation can help students improve their ability to manage their finances and the impact on their financial well-being in the future

LITERATURE REVIEW

Financial Literacy

literacy, as defined in the Indonesian National Financial Literacy Strategy guidebook, is a set of procedures or actions intended to improve customers' understanding, confidence and financial management skills (Financial Services Authority, 2014:4). (Remund 2010) defines financial literacy as an individual's ability to understand financial concepts and have the skills and confidence needed

to manage personal finances. This involves the ability to make good short-term judgements, plan for the long term, and weigh various economic factors.

Based on this definition, financial literacy can be understood as a person's ability to understand and manage their finances efficiently. This includes the knowledge, skills and confidence to make the right financial decisions, both for immediate needs and long-term financial planning.

According to the Financial Services Authority (OJK) (2024), the use of financial literacy criteria in this study is in line with the indicators applied by OECD/INFE in the International Survey on Financial Literacy, consisting of: a) Financial knowledge. b) Financial behaviour, and c) Financial attitude.

Financial Technology (Fintech)

According to the Financial Stability Board (2017) Financial technology, often known as fintech, is described as technological advances in the financial services sector that can lead to the creation of business plans, applications, procedures, or other matters that have a substantial effect on the provision of financial services. Fintech is the latest innovation produced by the financial services sector that uses technology to assist people in conducting financial transactions (Ratnawaty Marginingsih 2021).

One of the methods applied in fintech is for the investment process, where users only need to transfer a predetermined amount of funds to the intended party. After that, the funds will be immediately transferred to the intended party (Erlangga & Krisnawati, 2020).

From the above definition, it can be concluded that fintech, or financial technology, is a technological breakthrough used in the financial services industry to create new business models and products. Fintech improves the efficiency and accessibility of financial services, makes it easier for people to make transactions, and contributes to financial inclusion. Marisa, (2020), the indicators that show the utilisation of fintech include: a) Perceived Ease, b) Effectiveness, and c) Risk

Financial Management

Butler (2010) said, personal financial management refers to students' ability to manage their finances, including spending, saving, and other factors. (Ja, Rengga, and Luju 2023) Personal financial management is the process of managing all assets and setting financial goals for the short and long term. This management is necessary for several reasons, such as the need to meet financial goals and increasing living costs that continue every year, economic conditions that are not always stable, the high cost of living today, and the possibility of health problems that can interfere with financial capabilities.

From the definition, it can be concluded that financial management is a very crucial process for individuals, especially for students, in organising their finances.

This includes spending, saving, and setting financial goals for the short and long term. Taking into account factors such as inflation, economic conditions, and health risks, effective financial management is key to achieving financial stability and sustainability in the future.

(Mulyadi et al. 2022) There are three indicators that can be used to assess personal financial management behaviour: a) spending money as needed, b) paying bills on time, and c) planning financially for the future.

METHOD

This study examines the role of financial literacy and fintech technology on student financial management at Makassar State University, using the type of causality research with quantitative data collection and survey methods. A 5-point Likert scale was used to measure the questionnaire used in the data collection process, with a sample of 250 students selected by purposive sampling. Sample selection criteria include knowledge of financial literacy and active use of fintech.

The variables used in this study consist of:

1. In this study, the Financial Literacy variable is variable X1, and Fintech Technology is variable X2.
2. In this study, the Financial Management variable is the Y variable.

Data analysis was carried out with SPSS 13 software, including testing the validity and reliability of the instrument using the factor validity test and Cronbach's alpha. After that, multiple linear regression was used for hypothesis testing in order to test the relationship between the independent and dependent variables.

The research hypothesis is as follows:

H1: Financial literacy partially affects student financial management at Makassar State University.

H2: Fintech technology partially affects the financial management of students at Makassar State University.

H3: Financial literacy and fintech technology simultaneously affect student financial management at Makassar State University.

DISCUSSION RESULTS

Contents of Results and Discussion

Validity Test Results

Researchers utilise SPSS to conduct validity testing. The purpose of this validity check is to determine the reliability of the questions, answers, and indicators used to identify variables. The r table, with degrees of freedom (df) = n-2 and a significance level of 5% is compared with r count. If r table is smaller than r count then the indicator is considered valid.

Table 1. Validity Test

No	Konstruk	Pearson Correlation	Sig-2 Tailed	Status
1	Financial Literacy			Valid
	X1.1.1	0.641**	0.000	
	X1.1.2	0.629**	0.000	
	X1.1.3	0.608**	0.000	
	X1.2.1	0.664**	0.000	
	X1.2.2	0.651**	0.000	
	X1.2.3	0.706**	0.000	
	X1.3.1	0.743**	0.000	
	X1.3.2	0.770**	0.000	
X1.3.3	0.756**	0.000		
2	Teknologi Fintech			Valid
	X1.1.1	0.641**	0.000	
	X1.1.2	0.629**	0.000	
	X1.1.3	0.608**	0.000	
	X1.2.1	0.664**	0.000	
	X1.2.2	0.651**	0.000	
	X1.2.3	0.706**	0.000	
	X1.3.1	0.743**	0.000	
	X1.3.2	0.770**	0.000	
X1.3.3	0.756**	0.000		
3	Financial Management	0.678**	0.000	Valid
	Y1.1	0.591**	0.000	
	Y1.2	0.863**	0.000	
	Y1.3	0.685**	0.000	
	Y2.1	0.713**	0.000	
	Y2.2	0.863**	0.000	
	Y2.3	0.760**	0.000	
	Y3.1	0.746**	0.000	

	Y3.2 Y3.3	0.863**	0.000	
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From the validity test for variables X1 (Financial Literacy), X2 (Fintech Technology), and Y (Financial Management) shows the pearson correlation value which indirectly all question items are said to be valid because they show a star (**) at the end of the number. In addition, the validity test is said to be valid because all question items from each variable have a sig. (2-tailed) value of 0.000 < 0.05 (valid). Each indicator has a calculated r value greater than the r table, such as the Y1.1 indicator of the financial management variable with a calculated r value of 0.678, which indicates that the indicator is valid in describing the financial management variable.

Reliability Test Results

Reliability is a quality that shows the consistency and stability of respondents' answers to indicators or question points. Therefore, it can describe the research construct in the future. As quoted by Sujarweni (2005) Alpha > 0.60 is considered reliable.

Table 2. Reliability Test Results

Variabel	Cronbach Alpha	Status
Literasi Keuangan	0,861	Reliable
Teknologi Fintech	0,887	Reliable
Pengelolaan Keuangan	0,915	Reliable

Based on the reliability test for variables X1 (Financial Literacy), X2 (Fintech Technology), and Y (Financial Management), the Cronbach alpha value obtained is greater than 0.60, namely 0.861 (X1), 0.887 (X2), and 0.915 (Y). This means that all items in Financial Literacy (X1), Fintech Technology (X2), and Financial Management (Y) can be considered reliable.

Regression Test Results

Testing the effect of one variable on another is the purpose of regression (Sujarweni, 2015). Multiple linear regression tests are used to analyse the impact of several independent variables (variable X) on one dependent variable (variable Y).

Table 3 Test Results of Multiple Linear Regression Analysis of Financial Literacy and Fintech Technology on Financial Management of Makassar State University Students

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	8.291	2.054		4.036	.000
	JUMLAH_X2	.323	.097	.294	3.350	.001
	JUMLAH_X1	.378	.107	.309	3.524	.001

a. Dependent Variable: JUMLAH_Y

Table 3 displays the results of the linear regression analysis used to determine the impact of financial literacy and fintech technology on student loan repayment. The analysis produced the following results:

$$Y = 8,291 + 0,323 X1 + 0,378 X2$$

This study shows that financial literacy (X1) and fintech technology (X2) have a positive effect on money management (Y). The regression coefficient of money liquidity is 0.323 which means that each unit increase in money liquidity will result in an increase in the money supply of 0.323. Furthermore, the regression coefficient of fintech technology is 0.378 which indicates that each unit obtained through the use of fintech will increase money growth by 0.378.

Table 4 Test of the Coefficient of Determination (R²) Financial Literacy and Fintech Technology on Financial Management of Makassar State University Students

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.573 ^a	.328	.323	5.47815

a. Predictors: (Constant), JUMLAH_X1, JUMLAH_X2

Based on Table 4, the coefficient of determination (R²) of 0.328 indicates that 32.8% of the variance in money management can be explained by the variables of liquidity and fintech technology, while 67.2% is influenced by other factors not included in the research model. Although financial literacy and fintech

technology have a significant influence on money management, there are other variables that influence money management that have not been explored in this study.

Table 5 Results of Simultaneous Test Analysis (F Test) Financial Literacy and Fintech Technology on Financial Management of Makassar State University Students

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3625.736	2	1812.868	60.408	.000 ^a
	Residual	7412.508	247	30.010		
	Total	11038.244	249			

a. Predictors: (Constant), JUMLAH_X1, JUMLAH_X2

b. Dependent Variable: JUMLAH_Y

The simultaneous test results presented in Table 5 show that the calculated F value reaches 60,408 with a significance level of 0.000, which is lower than 0.05. This shows that financial literacy and fintech technology simultaneously have a significant effect on student financial management at Makassar State University.

Contents of Discussion Results

This study was conducted to identify and analyse the effect of Financial Literacy and Fintech Technology on Financial Management of Makassar State University Students, both partially and simultaneously. The following is a discussion of each research objective:

- 1. First Hypothesis:** Examining the effect of financial literacy on financial management carried out by students. Makassar State University is the purpose of testing the first hypothesis. The findings show that financial management improves significantly with the understanding of financial literacy, indicating that knowledge and skills related to financial literacy are often associated with better money management among university students. They are able to make smarter financial choices, which include budget planning and separating needs from wants. When students believe that they have adequate information and the ability to manage their finances, they will have greater certainty when making financial judgements.

The importance of financial literacy not only relates to the ability to manage money, but also in avoiding the risk of financial fraud. Students who understand basic financial concepts will be more wary of unrealistic offers and can prevent getting stuck in unnecessary debt. These results are in line with previous research conducted by Ariska and Jusman (2023), which also showed that financial literacy plays a role in improving financial management among university students.

- 2. Second Hypothesis:** Next, testing of the second hypothesis focuses on the effect of fintech technology on students' financial management. The research output indicates that the utilisation of fintech technology has a significant role in improving students' financial management skills. By utilising financial applications, students can conduct transactions efficiently and securely, which contributes to better financial management. Easy access to financial services through smartphones makes students faster in completing transactions and managing budgets.

The rapid development of technology, especially in the fintech sector, provides opportunities for students to utilise technology to manage their finances more practically. In addition, security in making transactions is also one of the most crucial aspects, which can change students' financial habits from traditional to more modern and efficient ways. This finding is supported by research (Winda Puspa Sari & Nikmah 2023) which also noted that fintech has a positive and significant effect on students' financial behaviour.

- 3. Third Hypothesis:** The third hypothesis test revealed that financial literacy and fintech technology, together, have a significant influence on students' financial management. This indicates that the combination of good financial literacy and the utilisation of fintech can improve students' skills in managing their finances. These two variables complement each other, where financial literacy provides knowledge and skills, while fintech provides tools that make financial management easier.

The results of this study are in line with the findings of (Kamilah, Khairani, and Soviyanti 2024), which confirms the importance of financial literacy and the use of fintech in influencing financial management behaviour. In other words, the integration between financial literacy education and technology that confirms the importance of financial literacy and the use of fintech in influencing financial management behaviour. In other words, the integration between financial literacy education and technology.

CONCLUSIONS

Based on the results of the analysis, it can be simplified that knowledge of financial literacy and fintech technology has a positive impact on student financial management at Makassar State University. This statement indicates that increasing financial literacy among students will have a positive impact on their ability to manage finances effectively. In addition, optimal use of fintech technology also contributes to improved financial management, so that students can better manage their finances. In this study, financial literacy and fintech technology simultaneously have a significant effect, with fintech technology making a greater contribution to financial management. This finding confirms that

it is important for university students to improve their financial literacy and utilise fintech in order to achieve better financial management, especially in facing complex financial challenges in the future. Therefore, educational institutions and financial institutions need to work together to develop educational programmes that can improve students' understanding of financial literacy and the use of fintech technology.

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