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USE FINANCIAL TECHNOLOGY IN IMPROVING FINANCIAL LITERACY (EMPIRICAL STUDY ON FEB- UTP SURAKARTA STUDENTS)

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ABSTRACT

This study will focus on students understanding and interest in fintech, how to use financial technology to increase students' financial literacy at the Faculty of Economics and Business, Universitas Tunas Pembangunan Surakarta, Central Java, Indonesia. The research method used is a qualitative descriptive analysis by analyzing, describing and summarizing various conditions, and situations from data collected in direct interview results. The results of this study are that students experience increased financial literacy by using financial technology. Students are used to using financial technology applications, most of which are used for payments. Students feel the use of financial technology helps in planning finances and investing. Financial literacy that plays a role in students is limited to their financial planning. Technology becomes their support in financial planning.

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1. INTRODUCTION

In today's digital era, access to financial services has become easier. Various financial services can be easily connected through everyone's mobile phone. This is supported by some financial companies, including banks that provide convenience to the public. Financial technology helps people access financial products and makes it easier to make financial transactions with a touch of technology in hand. Fintech or Financial Technology is an innovation in financial services that utilize technology. Based on Pribadiono, Hukum, Esa and Barat (2016), Financial Technology (FinTech) is a combination of technology and financial features or it can also be interpreted as innovation in the financial sector with a touch of modern technology (Nurchalidah & Harsono, 2021).

Fintech is not a service provided by banking but a new business model that helps people's needs. The services provided by fintech companies help the public carry out financial transactions without having an account like those in banking. Although fintech is not a financial institution like banking, fintech is still regulated by Bank Indonesia so that consumers or the public can be protected. Therefore, fintech companies are required to register their companies with Bank Indonesia or the Financial Services Authority. One type of fintech that the public has widely enjoyed is a start up company in the form of an online motorcycle taxi whose payment is in the form of go-pay or grab-pay. Judging from the development of data, more and more fintech are present in Indonesia and can be enjoyed directly by various levels of society. With its users' various conveniences, people do not realize that they have used fintech in their financial transactions. This can improve financial literacy in Indonesia.

Knowledge of finance is important for a person, so as not to be wrong in making financial decisions. In Vitt et al. (2000), financial literacy is the ability to read, analyze, manage and communicate about personal financial conditions that will affect material well-being. The importance of financial literacy is triggered by the deregulation of financial markets and easier access to credit as a result of competition by financial institutions to increase their market share, rapid growth in the growth and marketing of financial products and the government's push for citizens to be more accountable for their retirement income (Beal & Delpachitra, 2003).

Lack of financial knowledge will harm individuals in terms of inflation, a decline in domestic and foreign financial conditions, and the rapid development of the economic system will make society more consumptive. In addition, knowledge about the economy is less difficult for a person to make investments. Krishna et al. (2010) explain that financial literacy helps individuals to avoid financial problems. Financial difficulties are not only a function of income alone (low income). Financial difficulties can arise if there are

errors in financial management (mismanagement) such as incorrect use of credit cards, and the absence of financial planning. Financial limitations can cause stress, and low self-confidence (Farah & Reza, 2015).

Financial literacy became important with the emergence of fintech. Fintech provides services such as electronic payments (e-payments), fundraising, investment management, technology insurance (insurance), and online loans. Service users must understand the service provider, the services and products offered, and their rights and obligations as consumers. Without that understanding, consumers can become entangled in debt and vulnerable to fraud, data misuse, and aggressive debt collection.

Students are one of the targets and activities of Financial Literacy. Because students are an intellectual group that will act as agents of change. Students who have been equipped with theoretical knowledge during lectures are expected to be able to solve problems that occur in society and can think critically and be able to provide solutions. According to the explanation (Widayati, 2012: 93), learning in higher education plays an important role in forming student financial literacy.

Learning about financial literacy from an early age helps students to have the ability to understand, assess and act in their financial management. So it can be ascertained that a good understanding of financial literacy will lead to a prosperous life and happiness even with limited finances. The college period for most students is when they initially manage finances independently without supervision from parents, (Qomaro & Septiana, 2017: 40). Students will face problems that may be new and face a new environment without supervision and support from parents. Students must be able to independently manage their finances well and must also be able to take responsibility for the decisions they have made. Financial problems often arise in students because they do not have income, and some of the students are still dependent on their parents.

From various studies that have been carried out, almost all studies illustrate that in an era where almost every time people are connected to the power of technology and the internet, an understanding of Fintech technology is needed for the community. Mahasiswa the younger generation and millennials must know, understand and understand the function of a medium. The rapid development of Fintech is expected to increase people's financial literacy. Many research results show that the literacy rate of the Indonesian people is still relatively low, this study will focus on students' understanding and interest in Fintech.

Based on the background that has been described, there is a formulation of problems in this study, namely the use of financial technology in improving the financial literacy of students of the Faculty of Economics and Business, Tunas Pembangunan University, Surakarta.

2. METHOD

The research method used is a qualitative descriptive analysis by analyzing, describing and summarizing various conditions, situations from data collected in direct interview results. The research design uses qualitative research case studies, which means finding meaning, investigating processes, and processing deep understanding and understanding of individuals, groups, or situations (Situmorang & Hapsari, 2019).

Researchers choose the purposive sampling technique to establish criteria that informants meet before conducting research. So the informants in this study are the perpetrator informant, namely students of the Faculty of Economics and Business, Tunas Pembangunan University of Surakarta who use fintech. Data analysis in this study will be analyzed using interactive analysis techniques proposed by Miles and Huberman Punch, that this technique consists of three components, namely:

- a. Data reduction (data reduction) has three stages, namely the first stage, namely editing, grouping and summarizing data, the second stage is the preparation of notes on various matters related to the unit of analysis, so that researchers can find data themes and patterns, and the third stage is the conceptualization of data themes and patterns;
- b. Data presentation (display), which is the organization of data by intertwining or associating one data group with another data group, so that all data can be analyzed in a single unit; and
- c. Drawing and verifying conclusions, namely implementing inductive principles by considering existing data patterns or tendencies of display data that have been compiled.

3. RESULT AND DISCUSSION

The results of the interviews conducted with students at FEB-UTP were by the needs of respondents, namely by using the purposive sampling technique, namely setting criteria that informants meet before conducting research. Students as informants in this study are informants of actors, namely students of the Faculty of Economics and Business, the Tunas Pembangunan University of Surakarta who use fintech. These results are presented in Table 3, below:

Table 1. Respondent's Interview Results

Do you use financial Technology?	Which ones are often used	Reasons to use financial technology	What is it used for? (payment, investment, etc)	How often to use financial technology?	Is financial technology useful to you?
Using	Shopeepay	Easier, more practical and can be anywhere	Payment	Infrequently	Very useful, can limit transactions
Use	Funds	Make online transactions easier and easy to use	Payment	Infrequently	Very useful, effective and efficient
Use	Funds	Easy to transact and efficient	Payment	Every day	Useful because it can manage the entire finances without the need for additional notes
Using	OVO	Easy and efficient	Payment	Every day	Useful, easy to buy
Using	Shopeepay and Dana	Easier and more efficient when making transactions both purchases, payments, and transfers	Payment	Infrequently	Useful, facilitates all financial transactions
Use	Shopeepay and Dana	Easier to carry out transactions using a mobile phone and easier to use when not carrying cash	Payments and Transfers	Every day	Useful, because there are many promos from this application compared to using cash
Use	Shopeepay	Practical, easy and efficient	Payment	Every day	Useful, more able to manage finances because we know how many days we make transactions
Use	Funds	Easy to use and many features that are very helpful in transacting online	Payers and investments	Every day	Useful because it helps transactions easier and faster
Use	Funds	Easier payment and online transactions	Payment	Infrequently	Useful, easy to transact
Use	Shopeepay	Easier, more practical and can be anywhere	Payment	Infrequently	Useful, more effective and efficient

Source: Interview, 2022.

The interviews conducted with 5th semester students at the Faculty of Economics and Business, Tunas Pembangunan University show that all students have heard the term Financial Technology. Students consider this financial technology an innovative and creative development so that all financial activities can run effectively and efficiently. Students understand the types of financial technology and use financial technology in transactions and feel the benefits of using financial technology. Knowing and using financial technology will indirectly increase students' financial literacy.

Based on interviews, students have accounts and are actively using financial technology. Financial technology applications that students widely use are shoppe pay, dana, and OVO. Students use the application to make payments, transfers and investments, but most of what students do is still limited to payments, so the use of financial technology is still limited to payment. Students feel that they benefit from using this financial technology application with promos or discounts that can be obtained.

Students realize that finances need to be well planned in using this financial technology application, students are helped in planning their finances. Because they are more able to monitor what financial transactions they have done. So that students are more able to manage their finances and distinguish between needs and wants. It can be said that students already understand how to manage finances, they already understand financial literacy even though it is still limited to personal financial management.

The findings of this study support previous research, namely Sri Lestari (2015), Tri Inda Fadhila Rahma (2018), Fikqi Indra Adi Waluyo & Maria Assumpta Evi Marlina (2019), and Putu Adriani Prayustika, I Gede Iwan Suryadi, I Wayan Edi Arsawan, and I Made Widianarta (2020). All researchers agree to provide the use of financial technology in improving financial literacy in business activities and other needs among students or the public in general

4. CONCLUSION

The use of financial technology in improving the financial literacy of students of the Faculty of Economics and Business, Universitas Tunas Pembangunan Surakarta, shows the results that students of the Faculty of Economics and Business, Tunas Pembangunan University have experienced an increase in financial literacy with the use of financial technology. Students are also used to using financial technology

application mostly used for payments. Students feel that the use of financial technology helps them plan and invest. Financial literacy that plays a role in students is limited to their financial planning. Technology supports them in planning finances

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