

CHAPTER V
RESULT AND DATA ANALYSIS

A. Instrument Research Test

Instrument research test is a test to know a research instrument has indicated the category of valid and reliable.

1. Validity Test

To determine valid or not in research question is using the technique of corrected item correlation. If all the items of variable has a correlation (r) with total score each variables $\geq 0,25$, it can be said valid.

Table 5.1
Validity Test Result

Item	Corrected Item Correlation	Explanation
Financial Individual Knowledge	0,702	Valid
Investment	0,402	Valid
Saving and Loan	0,901	Valid
Insurance	0,779	Valid
Financial Institution Knowledge	0,904	Valid

Source: Developed for the research

Based on the data above, it shows that all the variables has corrected item correlation (r) with a total score $\geq 0,25$. Because all the variables has a total score more than 0,25, it means that all the items can be called valid. But, in Q24 part of saving and loan questions (it can be seen in the appendix), the corrected item correlation (r) is invalid. The Q24 correlation value is 0,144 or less than 0,25 or invalid. So, it can be concluded that validity test in this research is valid with one invalid question, or this

research has 49 valid questions and 1 invalid question. The researcher will not delete invalid question because it does not affect to reliability test.

2. Reliability Test

Data can be said reliable if the Cronbach Alpha $\geq 0,70$. If the data value in Cronbach Alpha less than 0,70, it means that the data is unreliable.

Table 5.2
Reliability Test Result

Cronbach's Alpha	N of Items
0,938	50

Source: Developed for the research

Based on the table above, it shows that Cronbach's Alpha value is 0,938. It can be said that Alpha value between 0,90 – 0,100, it means that this research has a high reliable questionnaire variable.

B. Regression Analysis

After validity and reliability test, the researcher wil input ordinal data to SPSS and regress it.

Table 5.3
Case Processing Summary

Unweighted Cases	N
Selected Cases	
- Included in Analysis	50
- Missing Cases	0
Unselected Cases	50

Source: Developed for the research

From the table above, it shows that there is no missing case. It means that there is no passing sample.

Table 5.4
Dependent Variable Encoding

Original Value	Internal Value
The awareness of financial literacy is low	0
The Awareness of financial literacy is high	1

Source: Developed for the research

From the above output table, it describes the result of data input process that is used in dependent variable are the awareness of financial literacy is low with 0 code and the awareness of financial literacy is high with 1 code.

1. Block 0: Beginning Block

On this interpretation, researcher look at the model worthiness using -2 Log Likelihood value and Chi Square value.

Table 5.5
Iteration History

Iteration		-2 Log Likelihood
Step 0	1	30,530
	2	28,003
	3	27,878
	4	27,877
	5	27,877

Source: Developed for the research

-2 Log Likelihood value is 27,877, if it compare with Chi Square value in 0,05 point of significant with df is N-1. So, $50 - 1 = 49$. From Chi Square table, the result is 43,773. So, -2 Log Likelihood < Chi Square ($22,877 < 43,773$).

If only constans is entered not proper, all the independent variable are entered is also not proper, but there is a decreasing in -2 Log Likelihood. The decreasing is $27,877 - 27,248 = 0,629$ and significant value is $0,89 > 0,05$. It can be seen in below table:

Table 5.6
Omnibus Test of Model Coefficients

		Chi Square	Sig.
Step 1	Step	0,629	0,890
	Block	0,629	0,890
	Model	0,629	0,890

Source: Developed for the research

2. Block 0: Method = Enter

The percentage of model accuracy in observation classification is 92,0 or 92%. It means from 100 observations, there are 92 observations that accurate in classification by logistic regression model. It can be seen on the table below:

Table 5.7
Classification Table

Observed		Percentage Correct
Category	The awareness of financial literacy is low	4
	The awareness of financial literacy is high	46
Overall Percentage		92,0

Source: Developed for the research

Table 5.8
Model Summary Result

-2 Log Likelihood	Cox & Snell R Square	Nagelkerke R Square
27,248	0,012	0,029

Source: Developed for the research

From the table above, the model with taking three independent variables has changing in parameter appraisal (-2 Log Likelihood) is 27,248. In R-square is 0,012 or 12% (Cox & Snell) and 0,029 or 29% (Nagelkerke). It means that three variables; gender, income and education has a high financial literacy awareness that can be explained in

29%. But, remember that this interpretation is only value approach as like as determination coefficient (ordinary linear regression).

Homer and Lemoshow Test is a test to know about the model can be said proper or not (goodness of fit), in another word there is no difference between the empirical data and the model. Model can be said proper if the significant value more than 0,05 or -2 Log Likelihood less than Chi Square table.

**Table 5.9
Hosmer and Lemeshow Test Result**

Chi Square	Sig.
2,993	0,701

Source: Developed for the research

- H_0 = Model has explained clearly (goodness of fit)
- H_1 = Model has not explained clearly

with criteria if p-value is not significant ($0,701 > 0,05$), it means H_0 is accepted. So, the conclusion is model has explained the data clearly (goodness of fit).

**Table 5.10
Variable in The Equation**

	Sig.	Exp(B)
Gender	0,584	1,985
Education	0,571	0,701
Income	0,911	0,895

Source: Developed for the research

Hypotesis nol (H_0) is rejected if p-value significant $< 0,05$. So, if H_0 is rejected, the variable can be entered to the model. Based on the table above, p-value significant of gender, income and education $> 0,05$.

So, H_0 is accepted. It means that there is no significant affect between gender, income and education to the awareness of financial literacy in Tanjung Putri Village.

All the independent variables are not significant because the study case of the sample is coming from low level society. It can be prove from the average of education background is elementary school. Even the resercher has reduced the sample into 50 samples only.

The last interpretation is odds ratio interpretation. Odds ration is availabe on table 5.10 column Exp(B). From the table above, the odds ratio interpretation will be:

1. If gender increased by 1 then the awareness of financial literacy tendency become 1,985 fold.
2. If education background increased by 1 then the awareness of financial literacy tendency become 0,701 fold.
3. If income per-mouth increased by 1 then the awareness of financial literacy tendency become 0,895 fold.

C. Classic Assumption Test

1. Heterokedastisity Test

Table 5.11
Heterokedastisity Test Result

Model	Sig.
Gender	0,854
Income	0,987
Education	0,601

Source: Developed for the research

Output from the table above shows that there is no significant relation between independent variables to absolute residual value, it means that non-heterokedastisity assumption is fulfilled.

2. Normality Test

There is no normality test binary logistic regression, although outliers screening data can be used, because in normal multivariate shows that all the independent variables must be tested.

3. Multikolinearity Test

Table 5.12
Multikolinearity Test Result

Model	VIF
Gender	1,118
Income	1,122
Education	1,153

Source: Developed for the research

On the table above, all the VIF value < 10 . So, that assumption model does not contain multikolinearity.

D. Index Formula Percent

From the questionare data, calculating result of respondent answer is:

1. Responent who answers very agree (5) = $224 \times 5 = 1120$
2. Responent who answers agree (4) = $1160 \times 4 = 4640$
3. Responent who answers neutral (3) = $2397 \times 3 = 7191$
4. Responent who answers disagree (2) = $1027 \times 2 = 2054$
5. Responent who answers very disagree (1) = $192 \times 1 = 192$

Total questions are 50 questions and the total respondents are 100 respondents. So, $50 \times 100 = 5000$

$$\text{Total Skor} = 1120 + 4640 + 7191 + 2054 + 192 = 15197$$

High score for VERY AGREE or VERY GOOD item is $5 \times 5000 = 25000$, while VERY DISAGREE or VERY LESS GOOD item is $1 \times 5000 = 5000$. So, if respondent total score is 15197, it means that respondent interpretation value to financial literacy level by index formula percent is:

$$\text{Index \% formula} = \text{Total Score} / Y \times 100$$

$$= \text{Total Skor} / Y \times 100$$

$$= 15197/25000 \times 100$$

$$= 60.7\% = 61\%. \text{ GOOD category.}$$

From the data above, it can be concluded that respondent answer to the level of financial literacy is good.

E. Result and Anaysis

In analyse the data based on the data analysis result above, the reseacher will combine with the data based on the in-depth interview. The researcher has several questions to the respondents, but from that questions the researcher also ask other questions that have a relation with the research.

There are two respondents who become an in-depth interview respondent. The first is coming from the local decision policy, he is a head of village. The second is a teacher. The list of interview question will be delivered in the appendix page.

1. The influence of gender to the awareness of financial literacy

Based on the table 5.10, the gender significant value is 0,842. It means that gender significant value is more than 0,05. So, gender has no significant effect on the awareness of financial literacy.

On this globalization era, the gap between man and woman is decreasing. Many scholars debate about the link between economic development and women's social, economic, and political status. Until now, some feminists still struggle on woman empowerment. The implication is to change the status of women, there needs to be a direct intervention rather than relying solely on economic development to do the job and earn money (Eastin & Prakash, 2013).

Woman participation has steadily increased even in developing countries such as Bangladesh, Indonesia, Malaysia and Pakistan. Principally, there is no distinction in the creation of man and woman. However, different physiological and biological nature, or even patriarchal economic order, leads to different roles in development. Instead of reducing woman participation in development, it suggests differentiating their role. Priority of women's contributions should be given to intergenerational continuity through children's education for the future preparation. Socio-economic problems relating to their involvement in the workforce can be overcome by reducing (not eliminating) either their workload or in general women employment for the sake of future generations (Muqorobin, 1999).

This research finding is consistent with a research finding from the authors Deerajen Ramasawm, Savila Thapermall, S. Anoop Dowlut and Mootooganaen Ramen (2013). Gender variable has no significant affect to the awareness level of financial literacy. This finding is not consistent, because there is other research said that gender has a significant affect to the awareness of financial literacy, that reseach is coming from the author Noor Azizah Shaari, Nurfadhilah Abu Hasan, Ramesh Kumar Moona Haji Mohamed, Mior Ahmad Jafri (2013). Also with a research from Tamilnadhu area said that financial literacy of marginalized rural women is very low. Development of fiancial literacy would help the women for better fiancial decision making and proper utilization of fiancial services and products. It would help them for wealth accumulation and fiancial well being. It will lead to their personal development as well as social development. Their fiancial participation would help our country's economic development.

The explanation about gender equality is about the woment empowerment nowadays. Working women are considered as financially literate and have positive financial attitude. In today's world, women are also consuming financial products and services independently as well as in conjunction with the family members, partner and spouses. This increased articipation of women in financial decision is not astonishing because of the recent revolution in socio-economic level, family, demographics and economic lives of women in the last 50 years. Nevertheless, major portion of working women are still unaware of

integrated financial terms and those individuals who understands financial literacy can do better saving, budgeting and control spending; participate in financial integrated markets, can handle debts and other mortgages; retirement planning; and eventually, results in accumulating affluence. Financial literacy and proper financial attitude are essential for financial wellbeing and economic empowerment of individual. Money and effective management of money is crucial for better livelihood and wellbeing (Haque and Zulfiqa, 2016).

Now, it is different with women traditionally were primarily responsible for the home and daily maintenance activities, which often include household budgeting and bill paying. Women's lack of knowledge and confidence with regard to money management and investment programs impacts their ability to reach their financial potential. The basic principles of investing are the same across all gender, but women do not look at financial matters in the same way as their counterpart does. Women who are empowered and educated must utilize tools and resources to reach their financial potential (Agarwal, 2015).

In Islamic perspective, women employment is among the current issues getting paid special attention, in particular, from women activists, who demand for more liberation in their life. Nevertheless in Islamic perspective, the issues raised are not very clear, since Islam has given a chance for women to express their rights proportionately. Indeed, Islam recognizes numerous differences between man and woman, stemming from

their physical and biological differences. These differences necessarily lead to possible differences in their role and contributions to development and national building. Consequently, sexual division of work between man and woman is thus possible for application. This is not meant at discriminating women from men but rather differentiating their duties and responsibilities (Muqorobin, 2006).

In comparing between this research finding and the data that researcher got from depth interview. Average of man who has marriage in Tanjung Putri Village is managing their financial to his wife; a woman (depth interview data from Mr Dedy, 34 years old, on January 20th, 2017).

2. The influence of income per-month to the awareness of financial literacy

Based on the table 5.10, the income significant value is 0,998. It means that income significant value is more than 0,05. So, income has no significant affect to the awareness of financial literacy. The income classification are income per-month < 1.000.000, 1.000.000 – 3.000.000, 3.000.000 – 5.000.000, 5.000.000 – 7.000.000, and > 7.000.000; in rupiah's.

The average income per-month of society in Tanjung Putri Village is 1.000.000 – 3.000.000. That average of income is appropriate with District Minimum Wage or UMK (Upah Minimum Kabupaten) in West Kotawaringin. West Kotawaringin UMK in 2016 is Rp 2.204.120, it increases 10% from the previous UMK (Inspirasibangsa, 2015).

This finding is different with another research from the journal by Irma Setyawati and Sugeng Suroso (2016). The finding on that journal said that income has a significant affect to the awareness of financial literacy. Which is higher income will influence the awareness level of financial literacy, and lower income will make lower level of the awareness of financial literacy. So, the affect is positive significant.

As we know that income also appears to play an important role in people's saving behavior. In the journal by Nurul Shahnaz Mahdzan and Saleh Tabiani (2013) said that when income raising, the saving also increasing, and it will affect to the awareness of financial literacy. It means that income has a significant influence to the awareness of financial literacy. Let take the correlation between this research finding and that journal finding. The journal can say that income rising will increase saving because the people's education background. Increasing saving is one of the measurement to measure the awareness of financial literacy. In fact, that's opinion is different with this research case.

This research case is in remote area, the average of education background is SD or elementary school. But, even the society in Tanjung Putri Village has a low education background, they have a high income. It can be proofed by the income and UMK are equal, even more.

The researcher has a data from the interview, the respondent is a teacher in the elementary school, but her education background is elementary school. She is one of the evidence that income has no significant

affect to the awareness of financial literacy in term of this reseach case, because she has an income more than 3.000.000 and has an insurance for her family health and children education (depth interview data from Mrs. Dewi, 45 years old, on January 20th, 2017).

The example above from the depth interview data not only talking about one person in the society of Tanjung Putri Village, but she said that average of society in Tanjung Putri Village do what she does. That statement can be proofed from the data in Chapter IV and researcher explanation above about income and UMK in Tanjung Putri Village.

3. The influence of education background to the awareness of financial literacy

Based on the table 5.10, the education background significant value is 0,589. It means that education background significant value is more that 0,05. So, education background has no significant affect to the awareness of financial literacy. The education background classification are SD, SMP, SMA, Bachelor and Postgraduate.

This research finding is consistent with a journal by Sandra J. Huston (2010). That journal said that education background has no significant affect to the awareness of financial literacy. Because there is no financial education subject in all level of education. So, the journal indicates that not all financial education programs are equally effective, that factors other than financial literacy contribute to financial distress or both.

The research finding that not significant shows that every people in Tanjung Putri Village with education background SD, SMP, SMA, Bachelor and Postgraduate has same opportunity to get a high awareness of financial literacy. It occurs because the education about financial literacy can be got in every where, not only in formal education, but also in informal education.

In Indonesia itself, financial literacy education still rare to be found, either in elementary school until university. Curriculum about financial literacy education have not included yet in any school subject. It make an impact to the lack access of financial literacy understanding. It is different with other countries that have included financial literacy subject to the formal school, such as in Canada, Brazil, and Australia.

People who has a high education background does not guarantee his or her awareness of financial literacy in high understanding. It can be proofed with this research finding, the average of society education background in Tanjung Putri Village is in elementary school (SD), but their awareness of financial education is high.

In another case, there is also a journal written by Sekar.M and Gowri. M (2015) said that more the education level more is the level of financial literacy, it means that education background has a significant affect to the awareness of financial literacy. It occurs because of the case study on that research. That research case study was in Coimbatore, which the city is still contains of gap of gender, difference level of education and lack of government policy about financial literacy programs.

Financial literacy education is not just for investors as well as we know. It is just as important, if not more so, for the average family trying to balance its budget and save for their children's education and the parents' retirement. More needs to be learned about the financial education needs of consumers at various stages in their lives and how financial education programmes can be designed to best address these needs.

So, if we look back to our country, Indonesia. Financial literacy programs from the government have been occurring since 2011, such as; integration of financial education in elementary and junior high school curriculum (*pilot project*), extension of information access (enhancement of BI's website with consumer education and information), and financial education for migrant workers.

4. The awareness level of financial literacy in Tanjung Putri Village

Based on index formula percent data result, the research finding about the awareness level of financial literacy in Tanjung Putri Village is good at 61% point.

On 2006, there were a lot of moneylenders or creditors in Tanjung Putri Village. They came to the village because the distance of the village to the bank in the city is quite far. They came with a lot of promises to the society, in order to incite borrowing money from them. Society is easy to get money in cash with them, but when they want to bring back the money, the moneylender or creditor offered a high interest until more than half of total (> 50%). In the end, the society got misery because a lot of debts. On

that year, the awareness of financial literacy is still low (depth interview data on January 20th, 2017).

On 2006, there was only on the transportation access to Tanjung Putri Village by river. But, year by year, the transportation access to Tanjung Putri can be accessed by shore (using motorbike or car, etc). So, there are many people in Tanjung Putri Village save their money in a bank, even their have to traveled more less 2 hours.

The government of Tanjung Putri Village have a vission to financial institution programn. Head of the village said that the village government will make a BUMD (Badan Usaha Milik Desa) to the society this year. That BUMD contains of saving, borrowing, and other as like as a cooperative.

Because of the society experience in the past about money lender or creditor, it makes an impact to the awareness of society to financial literacy. That opinion has a consistent finding with a research by Catherine Demosthenous, Boni Robertson, Anuja Cabraal and Supriya Singh (Demosthenous, Robertson, Anuja, & Singh, 2006). They said that cultural identity influenced financial literacy and shaped money and money management experiences. So, it can be proofed by Tanjung Putri Village society, they more carefull when want borrow a money and have several investation to be save in the future. But, if the researcher ask about stock exchange, they do not know about it yet. Why? Because there is not signal and electricity yet in Tanjung Putri Village.

Talking about islamic financial literacy, the society in Tanjung Putri Village still do not know yet about islamic financial literacy, such as; Islamic Bank, BMT, and other islamic financial institutions. This ignorance could be one of the suggestion to increase the awareness of islamic financial literacy as the best way in economic problem. Because muslims must seek to understand Islamic finance because it is a religious duty. If Muslims do not care about the prohibition of riba, maysir and gharar and continue to consume conventional financial products, then the Islamic financial system will never be developed. Perpetuating the conventional financial system is certainly sinful for Muslims.

5. The strategy towards the awareness level in Tanjung Putri Village

Talking about the strategy, the researcher will use SWOT (Strenght, Weakness, Opportunity, Treats) analysis on analysing the strategy towards the awareness level in Tanjung Putri Village. This analysis will be useful to get the conclusion and recommendation.

- **Strength**

How we can get stregh in the opportunity. In this case, the opportunity is Tanjung Putri Village has a good awareness level on financial literacy. It happens because they were have an experience in the past. So, this opportunity can be used by the governement or non government organization to introduce their programn more deep. Financial Authority Service or OJK as one of the example from the governmnet institution, they can do a socialization about financial literacy to the society and do

an ongoing training so the society know about financial literacy not only the theory but also the implementation. OJK also can do an extensive program until remote area, such as bank institution. But, if it can be real, bank that can be used is 'walking bank' by a car as like as one of bank in Indonesia.

- Weakness

The weakness at this case is the education itself. Because the average of education background in Tanjung Putri Village is elementary school. Education is the internal weakness. The external weakness is coming from the distance. The distance from Tanjung Putri Village to the Subdistrict capital is quite far.

- Opportunity

As mentioned above, the opportunity is the awareness level in Tanjung Putri Village. For the people or even students, they can do a dedication program to educate about financial literacy to the society. The other opportunity is coming from the knowledge of the society about islamic financial literacy is low. So, we can introduce islamic financial literacy directly to society by build a BMT in Tanjung Putri Village. It will be so useful not only for the society but also for the economy itself in Tanjung Putri Village, even in Indonesia.

- Treats

Because of education and distance as weaknesses. So, the low of education background makes the society do not have a high spirit and

struggle if there is s sozialitation in their village. The sollution is make a fun sozialitation, so they can receive the information as easy as they want as their new knowledge. How about the distance? This is one of the main problem in remote area actually. At first, we have to aware that the area is remote area, so the distance is one of the challenges beside no signal and no elactricity.