

## **Financial Literacy Analysis, Financial Management and Needs for Economic Conditions**

### **(Case Study of Kwala Sefragile Village Community, Langkat)**

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### **Abstract**

This study aims to analyze the influence of Financial Literacy, Financial Management Patterns and Needs on Economic Conditions. The location of the study was conducted in Kwala Sefragile Village, Tanjung Pura District, Langkat Regency. The sample in this study was a community of business actors as many as 70 respondents. The analysis method used is multiple linear regression analysis. The results of the study show that Financial Literacy has a partial positive but not significant effect on the State of the Economy. Financial Management has a positive and significant effect on the State of the Economy. Needs have a positive and significant effect on the State of the Economy. While simultaneously Financial Literacy, Financial Management and Needs have a positive and significant effect on the State of the Economy. The contribution of the influence of Financial Literacy, Financial Management and Needs on Economic Conditions is 66.4%

### **Keywords:**

Financial Literacy, Financial Management, Economic Needs and Conditions

### **Introduction**

One way that organizations can do in facing competition is financial literacy is knowledge to manage finances. Financial literacy is a way to teach finance to consumers. Therefore, proper financial literacy will greatly help someone to be more effective in using the money they have both in a short vulnerable and long vulnerable



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time. According to (Otoritas Jasa Keuangan, 2013) financial literacy is knowledge, skills, and beliefs that affect the quality of financial taking and management to achieve prosperity. This understanding can be interpreted that financial literacy is very important not only limited to knowledge, but skills in processing finances and considering certain aspects. Financial literacy is something that is needed by every individual. If someone does not have the ability about financial literacy, it will cause problems in managing their finances. So when someone already knows financial literacy, then that person is able to make financial planning well. According to (Otoritas Jasa Keuangan, 2013) financial literacy is a series of activities in increasing people's knowledge, confidence and skills in managing finances.

The rapid development of the global economy has had a significant impact on people's lives, including the people of Kwala Sefragile Village. The people of Kwala Sefragile Village are required to have good financial literacy in order to manage their finances effectively and efficiently. Good Financial Literacy helps individuals make decisions related to financial management appropriately. Studies (Yushita, 2017) explain that financial knowledge and literacy help individuals manage personal financial planning. Based on the output (Otoritas Jasa Keuangan, 2017) of the survey conducted by (Otoritas Jasa Keuangan, 2020), data on the level of financial literacy of the Indonesian people is still low (38.03%). This percentage shows that only one-third of the Indonesian population is well-literate about finance.

Financial planning is an ability that must be possessed by every individual to achieve financial goals. Without financial planning, financial goals will be hampered, so responsibility regarding individual financial planning needs to be done as early as possible because errors in financial management will be very detrimental and difficult to fix in the future (Yushita, 2017). Financial desires and goals will be achieved if individuals apply short, medium, and long-term financial planning strategies in a clear, detailed and directed way to minimize possible risks that will occur in the future. Financial goals that a person has will create a wise financial attitude. Individuals who have financial goals will have a wise financial attitude. A wise financial attitude is seen from making attitudes and decisions in managing finances effectively and efficiently according to their needs. Financial attitudes have an important influence on achieving financial well-being because attitudes will determine behavior in decision making. (Lusardi & Mitchell, 2007) said that students as a young generation not only face complexity in various financial products, services



and markets that are increasing. In the future, they will have to bear more financial risks than previous generations. Therefore, financial attitudes play an important role in personal financial management.

Kwala Sefragile Village is one of the villages located in Stabat District, Langkat Regency, North Sumatra Province. The village has an area of about 3,000 hectares and a population of about 10,000 inhabitants. The majority of the residents of Kwala Sefragile Village make a living as farmers, fishermen, and traders. The average income of Kwala Sefragile villagers is around Rp5 million per year. Based on the results of a survey conducted in 2023, the level of financial literacy of the people of Kwala Sefragile Village is still relatively low. Only about 30% of the population of Kwala Sefragile Village has a good level of financial literacy. Changes in people's consumption patterns have also become a challenge for the people of Kwala Sefragile Village. The people of Kwala Sefragile Village are required to be able to manage their finances wisely in order to meet their living needs. The economic gap that occurs in the community of Kwala Sefragile Village is also a factor that needs to be considered in the analysis of financial literacy, financial management patterns, and the need for economic conditions. Economic inequality can cause inequality in people's financial management.

Based on this background, an analysis of financial literacy, financial management patterns, and needs for economic conditions needs to be carried out to determine the financial condition of the people of Kwala Sefragile Village. This analysis can be used as a basis to provide appropriate interventions for the people of Kwala Sefragile Village, Langkat Regency in order to improve people's financial literacy and manage their finances more effectively and efficiently.

## **Literature Review**

### **Economic Situation**

Economic in many economic literature is said to come from the Greek word Oikos or Oiku and Nomos which means household rules. In other words, the definition of economics is all that concerns matters related to life in the household, of course, what is meant and in its development the word household not only refers to one family consisting of husband, wife and children, but also a wider household, namely the household of the nation, state and world (Putong, 2010). Financial literacy contributes to the growth and sustainability of MSMEs. With a good understanding



of finance, MSMEs can optimize the use of their financial resources, identify new growth opportunities, and develop appropriate financial strategies. Financial literacy also helps MSMEs in long-term financial planning, such as new product development, market expansion, or investment in technology. This enables MSMEs to grow and develop sustainably in a competitive business environment (Sari et al., 2023).

### **Financial Literacy**

(Otoritas Jasa Keuangan, 2017) defines that financial literacy is a series of processes or activities to increase the knowledge, skills and confidence of consumers and the wider community so that they are able to manage personal finances better. OJK stated that the vision of financial literacy is to realize Indonesian people who have a high level of financial literacy so that people can choose and utilize financial products and services to improve welfare. The mission of financial literacy is to educate the Indonesian people in the financial sector in order to manage finances intelligently, and increase access to information and use of financial products and services through the development of financial literacy supporting infrastructure.

### **Financial Management**

Financial management according to (A. Yusanti, 2020) is money management activities in everyday life carried out by individuals or groups who have the aim of obtaining financial welfare. According to (Ida & Dwinta, 2010) in (A. Yusanti, 2020) the main task of money management is the budgeting process, with the aim of ensuring that individuals are able to manage financial obligations in a timely manner using the income earned in the same period. Financial management according to (Ida & Dwinta, 2010) in (Siasale, 2019) the inside is a way of managing and controlling finances and assets owned in order to meet all the needs of life now and in the future productively.

### **Financial Need**

Financial needs are needs that must be met by using money. Financial needs can be divided into 2 (two) categories, namely; a) Primary needs, i.e. needs that must be met to sustain life. Primary needs include the need for food, clothing, shelter, and health. b) Secondary needs, i.e. needs that do not have to be met to sustain life, but can improve the quality of life. Secondary needs include the need for education, transportation, recreation, and entertainment. Understanding financial needs according to (Haryono, 2016), financial needs are needs that must be met by individuals or families by using money to achieve financial goals. According to



(Sukirno, 2011), financial needs are needs that must be met by individuals or families to meet the needs of daily life and to achieve financial goals.

## **Methods**

### **Research Approach**

In this study the author used a quantitative approach. The quantitative approach is the measurement of objective quantitative and statistical data through scientific calculations derived from a sample of people or residents who are asked to answer a number of questions about the survey to determine the frequency and percentage of brand responses (Creswell, 2010). According to (Creswell, 2010) this quantitative approach, research will be pre-determined, statistical data analysis and interpretation of statistical data. Researchers who use a quantitative approach will test a theory by detailing a specific hypothesis, then collecting data to support or refute these hypotheses.

### **Population and Sample**

According to (Arikunto, 2013), the population is the overall subject of the study. Meanwhile, according to (Sugiyono, 2013) population, it is a generalization area consisting of objects / subjects that have certain qualities and characteristics set by researchers to be studied which are then drawn conclusions. So population is not only people, but also objects and also other natural objects. Population is also not just the number that exists in the object / subject studied, but includes all characteristics / characteristics possessed by the subject / object. Based on the description above, it can be explained that the population is the entire subject or object that is the focus of research by paying attention to several characteristics that are in accordance with the research being conducted. The population used as the object of this study is the community of business actors in Kwala Sefragile Village, Langkat.

According to (Sugiyono, 2013) the sample is part of the number and characteristics possessed by the population. What is learned from that sample, the conclusions will be applicable to the population. For this reason, samples taken from the population must be truly representative (representative). The sampling technique to be used in this study is saturated sample or total sample which is a sampling technique when all members of the population are used as samples. This is often done when the population size is relatively small, less than 30 people, or the study wants to make generalizations with very little error. The sample in this study was 70 respondents.



## Data Analysis Methods

Data analysis is one of the research activities in the form of the process of compiling and managing data to interpret the data that has been obtained, according to (Sugiyono, 2018) data analysis is an activity after data from all respondents or other data sources are collected. Data analysis activities are grouping data based on variables and types of respondents, tabulating data based on variables from all respondents, presenting data for each variable studied, doing calculations to answer problem formulations and doing calculations to test hypotheses that have been proposed. The data analysis that the author will use in this study is as follows:

### 1. Descriptive Statistics

Descriptive statistics provide an overview or description of a data seen from the mean value, standard deviation, variance, maximum, minimum, sum, range, kurtosis and skewness Multiple linear regression analysis is carried out to determine the direction and how much influence the independent variable has on the dependent variable Multiple linear regression analysis is carried out to determine the direction and how much influence the independent variable has on the dependent variable (Abdul Rachman & Utomo, 2018).

### 2. Multiple Linear Regression Analysis

Multiple linear regression analysis is one form of linear regression analysis in which the independent variable is more than one. Regression analysis is an analysis that can be used to measure the effect of an independent variable on its non-free variable. Where the calculation of data using multiple linear regression methods uses equations:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

$\beta_1, \beta_2, \beta_3$ , = Regression Coefficients  $X_1, X_2, X_3$

$Y$  = Economic Situation

$\alpha$  = Constant

$X_1$  = Financial Literacy Analysis

$X_2$  = Financial Management Pattern

$X_3$  = Necessity

$\beta$  = Economic Situation

$\varepsilon$  = Error





### **3. Assumption Test**

The classical assumption test is a statistical requirement that must be performed on multiple linear regression analysis based on ordinary least square. In OLS there is only one dependent variable, while for independent variables there is more than one. According to (Abdul Rachman & Utomo, 2018) determine the accuracy of the model, it is necessary to test several classical assumptions, namely, normality test, multicollinearity test, heteroscedasticity test.

### **4. Test the hypothesis**

(Sugiyono, 2016) argues that a hypothesis is a temporary answer to the formulation of a research problem, therefore the formulation of a research problem is usually arranged in the form of a question sentence. It is said to be provisional, because the answers given are only based on relevant theories, they have not been based on empirical facts obtained through data collection. Hypotheses can be tested in two ways, namely by matching with facts or by studying logical consistency (Nazir, 2005). The method of testing the hypothesis proposed in this study is partial testing (t test) and simultaneous testing using (F test).

### **5. Coefficient of Determination (R<sup>2</sup>)**

(Ghozali, 2018) states that the coefficient of determination (R<sup>2</sup>) is used to measure how far the model is able to explain the variation of the dependent variable. The value of the coefficient of determination is between zero and one. A small R<sup>2</sup> value means that the ability of independent variables to explain dependent variable variation is very limited. A value close to one means that the independent variables provide almost all the information needed to predict the variation of the dependent variable. According to (Ghozali, 2018), a fundamental flaw of using coefficients of determination is the bias towards the number of independent variables fed into the model.

## **Results**

### **Descriptive Statistical Analysis**

Descriptive statistics are used to describe and describe a data contained in research by looking at the average value (mean), maximum value, minimum value, and standard deviation of each variable. The results of descriptive statistical analysis are as follows:

Table 1. Results of Descriptive Statistical Analysis

#### **Descriptive Statistics**



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	N	Minimum	Maximum	Mean	Std. Deviation
Financial Literacy	70	17.00	30.00	23.3286	2.21144
Financial Management	70	15.00	25.00	20.1286	1.93309
Necessity	70	15.00	25.00	19.8000	2.14409
Economic Situation	70	16.00	25.00	20.3429	2.06338
Valid N (listwise)	70				

Source: SPSS v.25 Processing Results, 2023

Based on Table 1., descriptive above, the SPSS output value in the Financial Literacy variable shows that the number of samples (N) is 70, the minimum value is 17.00, the maximum value is 30.00, the mean value is 23.3286 and the Std. Deviation value is 2.21144. The SPSS output value in the Financial Management variable shows that there are 70 samples (N), the minimum value is 15.00, the maximum value is 25.00, the mean value is 20.1286 and the Std. Deviation value is 1.93309. The SPSS output value in the Needs variable shows the number of samples (N) there are 70, the minimum value is 15.00, the maximum value is 25.00, the mean value is 19.8000 and the Std. Deviation value is 2.14409. The SPSS output value in the Needs variable shows the number of samples (N) there are 70, the minimum value is 16.00, the maximum value is 25.00, the mean value is 20.3429 and the Std. Deviation value is 2.06338.

### Multiple Linear Regression Analysis

Multiple linear regression analysis aims to find the effect of two or more independent variables (X) on the dependent variable / dependent variable (Y). The results of multiple linear regression calculations with the SPSS program in this study are as follows:

Table 2. Multiple Linear Regression Analysis Results

Coefficients <sup>a</sup>					
		Unstandardized Coefficients		Standardized Coefficients	
Type		B	Std. Error	Beta	t
1	(Constant)	.591	1.872		.316
	Financial Literacy	.150	.088	.161	1.697





Financial Management	.374	.098	.350	3.821	.000
Necessity	.441	.085	.459	5.213	.000

a. Dependent Variable: Economic Situation

Source: SPSS v.25 Processing Results, 2023

Based on table 2., the value of "Coefficients" above can be explained about the multiple linear regression equation in this study. The regression equation formula in this study is as follows:

$$Y = 0.591 - 0.150X_1 + 0.374X_2 + 0.441X_3 + e$$

From the regression equation above, the conclusion that can be explained by the constant value ( $\alpha$ ) of 0.591 with a positive sign states that if the variables Financial Literacy, Financial Management and Needs are considered constant then the Y value is 0.591. The value of the regression coefficient of the Financial Literacy variable of 0.150 with a positive sign states that if the level of Financial Literacy increases by one unit assuming the other independent variables are constant, then the State of the Economy will increase by 0.150. The value of the regression coefficient of the Financial Management variable of 0.374 with a positive sign states that if the level of Financial Management increases by one unit assuming the other independent variables are constant, then the State of the Economy will increase by 0.374. The value of the regression coefficient of the Needs variable of 0.441 with a positive sign states that if the level of Needs increases by one unit assuming the other independent variables are constant, then the State of the Economy will increase by 0.441.

### Classical Assumption Test

Classical assumption testing aims to provide certainty where the regression equation obtained has permanence and is consistent. The classical assumption test is carried out after multiple linear regression testing, using normality tests, multicollinearity tests and heteroscedasticity tests. This study only used three tests on classical assumptions, because the data used was not time series data (Sugiyono, 2018).

Table 3. Classical Assumption Test Results - Normality

#### One-Sample Kolmogorov-Smirnov Test



		Unstandardized Residual
N		70
Normal Parameters <sup>a,b</sup>	Mean	.0000000
	Std. Deviation	1.23184428
Most Extreme Differences	Absolute	.125
	Positive	.125
	Negative	-.062
Test Statistics		.125
Asymp. Sig. (2-tailed)		.008c

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

Source: SPSS v.25 Processing Results, 2023

Based on Table 3., it can be concluded that the T-Statistic value of 0.125,  $> \alpha = 0.05$ , means that according to decision making using the Kolmogorov-Smirnov test the data has a normal distribution and has met the normality requirements in the regression model.

Table 4. Classical Assumption Test Results - Multicollinearity

		Coefficients <sup>a</sup>	
		Collinearity Statistics	
Type		Tolerance	VIF
1	Financial Literacy	.603	1.658
	Financial Management	.644	1.553
	Necessity	.698	1.433

a. Dependent Variable: Economic Situation

Source: SPSS v.25 Processing Results, 2023

Based on Table 4., it can be seen that the VIF value for all independent variables is no more than 10 and the tolerance value of all independent variables is also close to 1. The results can be concluded that all independent variables consisting of tax



incentives and the principle of accounting conservatism do not have symptoms of multicollinearity.

Table 5. Classical Assumption Test Results - Heteroscedasticity

			Correlations			
			Financial Literacy	Financial Management	Necessity	Economic Situation
Spearman's rho	Financial Literacy	Correlation Coefficient	1.000	.459**	.526**	.552**
		Sig. (2-tailed)	.	.000	.000	.000
		N	70	70	70	70
	Financial Management	Correlation Coefficient	.459**	1.000	.482**	.641**
		Sig. (2-tailed)	.000	.	.000	.000
		N	70	70	70	70
	Necessity	Correlation Coefficient	.526**	.482**	1.000	.703**
		Sig. (2-tailed)	.000	.000	.	.000
		N	70	70	70	70
	Economic Situation	Correlation Coefficient	.552**	.641**	.703**	1.000
		Sig. (2-tailed)	.000	.000	.000	.
		N	70	70	70	70

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS v.25 Processing Results, 2023

Based on Table 5., the SPSS output result above, all variables have Sig. (2-tailed) values of  $0.000 < 0.05$ . The results can be concluded that the tested variable contains heteroscedasticity. So the above results can be explained by the results of graph analysis, namely scatterplot graphs, the points formed must spread randomly, spread both above and below the number 0 on the Y axis. If this condition is met, heteroscedasticity does not occur and regression models are feasible to use. The results of the heteroscedasticity test using the scatterplot graph are shown in the following Figure:

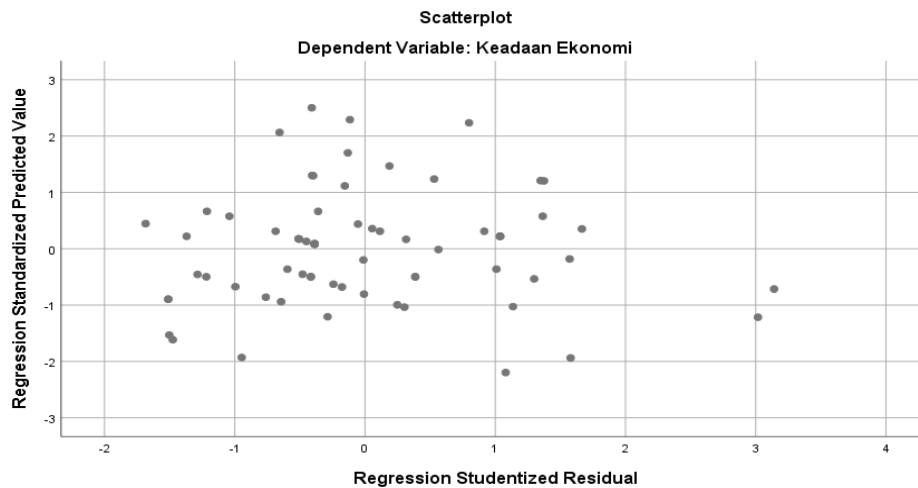


Figure 1. Classical Assumption Test Results – Heteroscedasticity- Scatterplot

Source: SPSS v.25 Processing Results, 2023

Based on Figure 1., which is a scatterplot graph, it can be seen that the points spread randomly, and scattered both above and below the number 0 (zero) on the Y axis.

### Test the hypothesis

Hypothesis testing is a procedure that will produce a decision to accept or reject a hypothesis. Hypothesis testing is carried out to determine the effect of the independent variable on the dependent variable.

Table 6. Results of the Hypothesis Test – Partially (Test t)

		Coefficients <sup>a</sup>				
		Unstandardized Coefficients		Standardized Coefficients		
Type		B	Std. Error	Beta	t	Sig.
1	(Constant)	.591	1.872		.316	.753
	Financial Literacy	.150	.088	.161	1.697	.094
	Financial Management	.374	.098	.350	3.821	.000
	Necessity	.441	.085	.459	5.213	.000

a. Dependent Variable: Economic Situation

Source: SPSS v.25 Processing Results, 2023

Based on Table 6., it can be known the results, the calculated value of the Financial Literacy variable > from the table is 1,697 > 1,666 and the < alpha sig is 0.094 > 0.05, meaning that the Financial Literacy variable has a positive but not significant



effect on the Economic Situation (Case Study of the Kwala Sefragile Village Community, Langkat). The calculated  $t$  value of the Financial Management variable > from the table is  $3,821 > 1,666$  and the  $\alpha$  sig is  $0.000 < 0.05$ , meaning that the Financial Management variable has a positive and significant effect on the Economic Situation (Case Study of Kwala Sefragile Village Community, Langkat). The calculated value of the Needs variable > from the table is  $5,213 > 1,666$  and the  $\alpha$  sig is  $0.000 < 0.05$ , meaning that the Needs variable has a positive and significant effect on the Economic Situation (Case Study of the Kwala Sefragile Village Community, Langkat).

Table 7. Hypothesis Test Results – Simultaneously (Test F)

ANOVA <sup>a</sup>						
Type		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	189.068	3	63.023	39.726	.000b
	Residuals	104.703	66	1.586		
	Total	293.771	69			

a. Dependent Variable: Economic Situation

b. Predictors: (Constant), Needs, Financial Management, Financial Literacy

Source: SPSS v.25 Processing Results, 2023

Based on Table 7., it can be known that the value of  $F_{\text{calculate}} > F_{\text{table}}$  is  $39.726 > 2.35$ , while sig. < of  $\alpha$ , namely  $0.000 < 0.05$ , shows that simultaneously the variables Financial Literacy, Financial Management and Needs have a positive and significant effect on the Economic Situation (Case Study of Kwala Sefragile Village Community, Langkat).

### Coefficient of Determination (R<sup>2</sup>)

The results of the determination test (R<sup>2</sup>) in this study can be seen in the Table as, below:

Table 8. Results of the Coefficient of Determination (R<sup>2</sup>)

Model Summary <sup>b</sup>				
Type	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.802a	.644	.627	1.25953

a. Predictors: (Constant), Needs, Financial Management, Financial Literacy

b. Dependent Variable: Economic Situation



Source: SPSS v.25 Processing Results, 2023

Based on Table 8., the number R<sup>2</sup> (R Square) is 0.664. This shows that the influence of Financial Literacy, Financial Management and Needs on Economic Conditions (Case Study of Kwala Sefragile Village Community, Langkat) of 66.4% while the remaining 33.6% is explained or influenced by other variables that were not studied in this study.

## **Discussion**

### **The Effect of Financial Literacy on Economic Conditions**

Based on the results of the analysis, the calculated value data of the Financial Literacy variable > from the table is 1,697 > 1,666 and the alpha < sig is 0.094 > 0.05, meaning that the Financial Literacy variable has a positive but not significant effect on the Economic Situation (Case Study of the Kwala Sefragile Village Community, Langkat). Financial literacy is a person's ability to understand and use financial information to make informed financial decisions. High financial literacy can help a person to manage his finances better, so as to improve his economic situation.

However, the results showed that financial literacy had a positive but not significant effect on the economic condition of the Kwala Sefragile village community, Langkat. This shows that financial literacy can indeed improve economic conditions, but the effect is not too great. There are several factors that may explain the results of this study. First, high financial literacy cannot necessarily be implemented in everyday life. Second, the economic condition of the Kwala Sefragile village community, Langkat is influenced by other factors, such as macroeconomic conditions, access to resources, and community culture.

### **The Effect of Financial Management on Economic Conditions**

Based on the results of the analysis, the calculated value data of the Financial Management variable > from the table is 3,821 > 1,666 and the alpha < sig is 0.000 < 0.05, meaning that the Financial Management variable has a positive and significant effect on the Economic Situation (Case Study of the Kwala Sefragile Village Community, Langkat). Financial management is a person's ability to manage cash flow and assets. Good financial management can help a person to achieve his financial goals, so as to improve his economic situation.

The results showed that financial management had a positive and significant effect on the economic condition of the Kwala Sefragile village community, Langkat. This shows that financial management has a greater influence on the state of the



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economy compared to financial literacy. There are several factors that may explain the results of this study. First, financial management is more practical and can be implemented in everyday life. Second, financial management can help a person to avoid unnecessary expenses, so as to increase his income.

### **The Effect of Needs on Economic Circumstances**

Based on the results of the analysis, the calculated value data from the  $t$  Needs variable from the table is  $5,213 > 1,666$  and the  $\alpha < sig$  is  $0.000 < 0.05$ , meaning that the Needs variable has a positive and significant effect on the Economic Situation (Case Study of the Kwala Sefragile Village Community, Langkat). Needs are things that must be met to sustain life. Unmet needs can hinder a person from achieving his economic goals.

The results showed that the needs had a positive and significant effect on the economic condition of the people of Kwala Sefragile village, Langkat. This shows that needs have a considerable influence on the state of the economy. There are several factors that may explain the results of this study. First, needs are things that must be met first before a person can fulfill his desires. Second, unmet needs can cause a person to become stressed and unproductive.

### **The Effect of Financial Literacy, Financial Patterns and Needs on Economic Conditions**

Based on the results of the analysis, the value of  $F_{\text{calculate}} > F_{\text{table}}$  is  $39,726 > 2.35$ , while  $sig. < \alpha$  is  $0.000 < 0.05$ . Simultaneously, the variables of financial literacy, financial management, and needs have a positive and significant effect on the economic condition of the Kwala Sefragile village community, Langkat. This shows that these three variables have a positive influence on the state of the economy, and the effect is greater if the three variables work together.

Financial literacy can improve the state of the economy by helping a person to make the right financial decisions. The right financial decisions can help a person to increase his income, save his expenses, and avoid financial risks. Good financial management can help a person to achieve his financial goals. Achieved financial goals can improve one's economic state. Needs are things that must be met to sustain life. Met needs can help a person to focus on other things that can improve his economic state, such as working and investing.

### **Conclusion**





1. The government needs to improve the financial literacy of the community, especially people in villages. This can be done through various programs, such as socialization, counseling, and training.
2. The government needs to provide wider access to the public to get financial services, especially digital financial services. This can be done through various programs, such as subsidies, incentives, and facilitation.
3. The government needs to improve the quality of financial education in schools. This can be done by incorporating financial materials into the school curriculum, both at the primary, secondary, and higher levels.

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