THE EFFECT OF ECONOMIC LITERACY, AND FINANCIAL LITERACY ON FINANCIAL INTELLIGENCE STUDENTS OF ENTREPRENEUR CAMPUS MEMORIZING Al-QUR'AN (KEPQ)

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ABSTRACT

Purpose: The purpose of this study was to determine the effect of Economic Literacy, Financial Literacy, on Financial Intelligence of Students in Entrepreneurship Campus Memorizing the Qur'an (KEPQ).

Design/methodology/approach: The method in this research uses a quantitative approach with types the research used was ex post facto**.**

Findings: The research was carried out in campus Entrepreneur Memor Al-Qur'an (KEPQ) Surabaya.

Research limitations/implications: The limitation in the study uses two independent variables and one variable related to the Economic Literacy variable, the Financial Literacy variable, and the Student Financial Intelligence variable.

Practical implications: The population numbered 120 people and the study sample was 93 people who were determined by the proportional random sampling technique.

Originality/value: This research conducted in Entrepreneurship Campus Memorizing the Qur'an (KEPQ)

Paper type: Research paper

Keyword: Economic Literacy, Financial Literacy, Financial Intelligence

I. INTRODUCTION

In Indonesia, increasing financial intelligence, in theory, has been carried out since the age of Elementary School (SD) and Junior High School (SMP) through economic lessons summarized in the subject of Social Sciences (IPS). Then proceed more specifically on the subjects of economics in high school or madrasah aliyah majoring in Social Sciences or IIS (Social Sciences, in the 2013 curriculum). Then proceed more specifically on the subjects of economics in high school or madrasah aliyah in the social studies department or IIS (Social Sciences, in the 2013 curriculum). In basic competence in high school in particular, theoretically, it covers most aspects of efforts to increase financial intelligence, which in this study is divided into two, namely aspects of economic literacy and financial literacy. Economic literacy includes basic economic lessons in general, namely economic issues, national income, markets, and so on, while financial literacy includes knowledge of finance which includes financial institutions and the Financial Services Authority, payment systems and instruments, inflation, and price indexes, and the capital market. In theory, this is enough to increase financial intelligence, but in reality, it is not enough. According to Lusardi & Mitchell (2014), the level of community welfare can be seen from the level of financial literacy of the community In theory this is enough to increase financial intelligence, but in reality, it is not enough. The specific objective to be achieved from this research is to use the ex post facto approach. That is research

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conducted to examine events that have occurred which then traverse backward to determine the factors that can cause these events. Expost facto research aims to trace back, if possible, what were the factors causing something to happen

The urgency of research. It is time for the government to pay attention to issues related to individual financial aspects. Moreover, in facing the ASEAN Free Market or what is known as the ASEAN Economic Community (MEA), the community must immediately improve so that they are not less competitive with people abroad. If it is not immediately tidy up and improve its quality, the Indonesian people may be less competitive with foreign people. Therefore, increasing financial intelligence in society must be done since adolescence, because adolescence is a time when someone is interested in learning new things, adolescence is here, especially at the age of students, because it is a time when adolescents begin to design their future and feel responsible social.

Campus Entrepreneur Memor Al-Qur'an (KEPQ). is a school for high school students to memorize the Koran on the back of entrepreneurial knowledge that aims to improve welfare. Based on the author's observations, students at this school come from various regions throughout Indonesia who are financed by outstanding students through various kinds of tests from the al-Qur'an reading test, religion, and general material. Therefore the majority in this school are outstanding students from their respective regions of origin. In this school, students get boarding facilities and are given training so that students become skilled in entrepreneurship, and in its development students on this campus are strongly influenced by the education on the campus.

Economic literacy is better known as economic literacy or basic economic knowledge. In Wikipedia, it is said that someone is said to have economic literacy when the person concerned has a basic understanding of how the economy works. From this understanding, economic literacy can be translated into basic economic knowledge. More broadly, Mathews states that economic literacy is an individual's ability to recognize and use economic concepts and economic thinking to improve and gain prosperity. The meaning of ability indicates that understanding of economic literacy is generated through a continuous learning process.

From the above understanding, it can be concluded that economic literacy is an individual's ability to understand economics to be applied in his life, which aims to make individuals and communities act economically and rationally following the learning or knowledge they get so they can achieve a prosperous life. Economic understanding has an important role in shaping a rational attitude, especially when making decisions so that an individual can act more economically in his life. (Perron, Taylor, Glass, & Margerum-Leys, 2010) argued that economic literacy is related to communication, professional and social skills, and has a positive impact on economic development.

. In measuring one's understanding of economic science, NCEE (The National Council on Economic Education) develops economic literacy criteria into 20 indicators that have been developed in the form of tests to measure the level of people's economic literacy.

One way to increase economic literacy is to learn about the economy. In Indonesia, economic subjects have been given since the elementary level integrated into Social Sciences (IPS) subjects. Meanwhile, new economic subjects stand alone at the upper level of education, namely SMA, MA, and SMK. The scope of economic subjects in SMA and MA starts from the economic problems that occur in the immediate environment to the farthest environment. If examined further, everything covered by the standards of the NCEE for economic literacy is included in the basic competencies of economic lessons in the 2013 curriculum. Therefore, theoretically, it can be said that high school level students already have basic knowledge of economics.

Financial literacy is related to one's competence to manage finances. Danes and Hira and Chen and Volpe (Garlans Sina, 2012) define financial literacy as knowledge to manage finances (financial literacy is money management knowledge). The definition of financial literacy according to Haiyang Chen & Ronald P. Volpe (2002) emphasizes the ability to understand the basic concepts of economics and finance, and how to apply them appropriately. Also, the definition of financial literacy according to Chen and Volpe has 4 aspects, namely general knowledge, savings, insurance, and investment following personal financial management. Meanwhile, according to the ANZ Survey of Adult Financial Literacy in Australia, argued that financial literacy is about the possibility of a person making informed decisions and self-confidence in all aspects of planning, budget spending, and savings, using financial products and services, from day-to-day banking to loans, investing and planning for the future. According to (Pisa, 2012), financial literacy is knowledge and understanding of financial concepts that are used to make effective financial choices, increasing financial literacy will bring individuals and groups to participate in economic life. According to Nababan & Sadalia (2013) financial literacy includes several aspects of finance, namely basic knowledge of personal finance (basic personal finance), money management,

Supriyono in his article entitled financial intelligence on the website of The Strategic Finance Consulting stated that financial intelligence is a person's ability to manage resources both within himself and

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outside himself to make money. Tanuwidjaja (2009) then clarified in his book entitled 8 The Essence of Financial Intelligence is the intelligence to manage potential resources into real wealth, then process wealth into even more wealth. sufficient amount to meet his needs and lifestyle, without the need to work again.

In short, financial intelligence is the ability to recognize, create, and practice systems or ways to add and accumulate assets owned. Tanuwidjaja (2009) summarizes the characteristics of financially intelligent people into 8 essential elements of financial intelligence which are described as follows: (a). Able to Sort Productive And Consumptive Goals. (b). Able to Distinguish Assets and Liabilities. (c). Able to understand the flow of money (d). Have leverage (e). Able to Make Money Working (f). Able to create assets that people cannot lose or rob (g). Able to understand the Macro Economic Signs.*State of the art* in this study as follows:
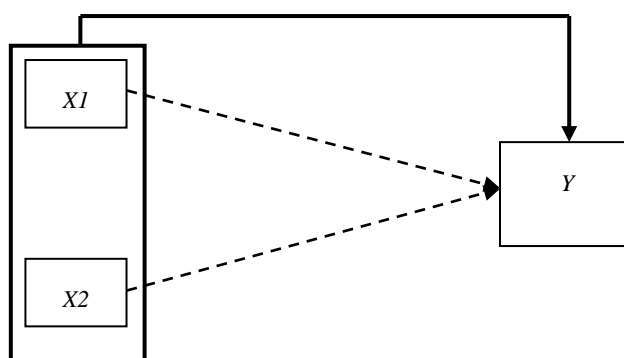

Figure 1 : Research Design

Information:
X1 = Economic Literacy College student
X2 = Student Financial Lieteration
Y = Financial Intelligence College student
- - - - ▶ = Shows Partial Affecting Relationships
───────▶ = Shows Simultaneous Affecting Relationships

Based on the description above, it can be explained that students of Surabaya Al-Qur'an memorizing Entrepreneur Campus with economic literacy and financial literacy can lead to financial intelligence, students who already have financial intelligence are expected to be able to compete with the ASEAN community, both as workers and Entrepreneur.

II. METHODOLOGY

The type of research used is ex post facto. Research has been carried out in campus Entrepreneur Memor Al-Qur'an (KEPQ) Surabaya, The population numbered 120 people and the study sample was 93 people who were determined by the proportional random sampling technique (Sinambela, 2014).

The operational definition in this study was carried out to avoid errors in interpreting the analyzed variables. Operational Definition Variables in this study. Economic literacy (X1) is defined as an individual's ability to understand economics to be applied in his life, which aims for individuals and society to act economically and rationally according to the learning or knowledge they have acquired so that they can achieve a prosperous life. Financial literacy (X2) is defined as knowledge of financial products / financial instruments, financial planning, and knowledge of how to manage your financial resources to make effective financial decisions for financial well-being. Financial intelligence (Y) is defined as the ability to recognize, create, and practice systems or ways to add and accumulate assets owned.

Variable data Y, X1, X2 were collected using a questionnaire instrument (questionnaire). The scale used in measuring this aspect is the Likert scale collected data is then processed using the following methods: 1) Data checking (editing), before data processing is carried out, it is necessary to check the data first. So, in this study, a questionnaire instrument containing 20 questions was provided. 2) Coding, coding the edited data, to simplify the data, namely by marking the numbers 1–5 in each category of answers from all respondents. The value strongly agrees is coded with a score of 5, after the data is collected, tabulate the data and process it with *Partial Least Square* (PLS)

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III. RESULTS AND DISCUSSION

Object Overview
1. Brief History and Vision and Mission

The Qur'an Memorization Entrepreneur Campus (KEPQ) is YAYASAN NURUL HAYAT's endeavor in providing provision to Qur'an memorizers to achieve a better and more prosperous quality of life through entrepreneurship education.

Indonesia is the country with the largest number of Islamic boarding schools. In East Java alone in 2005, there were 3,582 Islamic boarding schools registered with the Ministry of Religion. Among the thousands of Islamic boarding schools, some make memorization of the Qur'an as a curriculum (department). And many Islamic boarding schools only specialize in memorizing the Qur'an (Pondok Pesantren Tahfidz).

Department Program; Accounting and Office Management, PG PAUD, College Preparation (PK), Tahfidz Al Qur'an. Courses, General Courses; Entrepreneurship, Leadership Skills, English, Office Computers, Syroh and Storytelling, Office Management, Job Training Practices, Accounting Science and Office Applications, Child Psychology, Educational Management, and Early Childhood Learning. Islamic courses; Tahfidz Al Qur'an, Islamic Studies, Tahsin Al Qur'an, I'tikaf, and Ramadan Volunteers.

Vision; "To become a modern Islamic boarding school that produces graduates who have monotheistic values, work professionalism, and economic independence". While the first mission; Carrying out pesantren education with a focus on strengthening: TAUHID and MAKRIFATULLAH, spiritual care through memorizing the Qur'an, forging a sincere, disciplined, polite, and hard-working mentality, Having the skills needed in the world of work. For the second mission; Scholarship program for orphans and poor students to break the poverty chain of poor families.

Validity Test and Reliability TEST
   a. Validity test

The validity test shows the extent to which an instrument measures what it wants to measure. Therefore the validity of the research instrument or tool. This data meter uses Pearson's product-moment correlation technique. Which can determine the calculated r-value of each item of the research instrument compared to the r table. With the condition that if it has r count> 0.1466, the research instrument is said to be valid. Conversely, if the value of r count <0.1466, it can be concluded that the item of the instrument is said to be invalid.58 To test the validity of this is assisted by a computer program *partial Least Square*(PLS). The results of data processing in this study indicate that r count> than 0.1466, so it can be concluded that the research instrument is valid.
   b. Reliability Test

The results of the variable construct reliability testing used in this study obtained an Alpha value greater than 0.60. This means that the constructs of these variables are reliable. The results of data processing in this study indicate that the Alpha value in this study is 0.779, so the Alpha value is> than 0.60, so it can be concluded that the research instrument is reliable.

Classic Assumption Testing

In this study, using multiple linear regression analysis, which serves to determine the effect of independent variables on the dependent variable together (simultaneously), namely the independent variable, namely student economic literacy, student financial literacy with the dependent variable, namely student financial intelligence. Furthermore, knowing the effect of the independent variable on the dependent variable partially, namely the independent variable, namely student economic literacy, student financial literacy with the dependent variable, namely student financial intelligence. The following is the result of multiple linear regression calculations using the Partial Least Square (PLS) program.
   c. Normality test

The normality test   used to know   is   in   model regression of confounding variables or normally distributed residuals. In the calculation using Partial Least Square (PLS), analyze non-parametric t tailed) are 0.60 and this value is more than α = 0.05 so it can be said that the confounding variable or residual is normally distributed by 0.05 in the KS sample test (Kolmogorov   Smirnov).   Asymp   Value

Sig (2- tailed) of 0.60 and this value is more than α = 0.05 so it can be said that confounding variables or residuals are normally distributed 0.05. Then it is said that the regression model is suitable for use.

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Table 1- One-Sample Kolmogorov-Smirnov Test

		Economic Literacy	Financial Literacy
N		93	93
Normal Parameters a	Mean	34.30	63.15
	Std. Deviation	6,825	7,132
Most Extreme Differences	Absolute	.110	.097
	Positive	.056	.097
	Negative	-.110	-.087
Kolmogorov-Smirnov Z		1,060	.932
Asymp. Sig. (2-tailed)		.211	.350

a. Test distribution is Normal.

d. Multicolonary Test

The Multicolonierity test is a test used to determine whether the regression model found a correlation between independent variables (independent). Multicolonierity can be seen from (1) the tolerance value and its counterpart (2) the variance inflation factor (VIF). If there is multicollinearity if the tolerance value is <0.10 or the same as the VIF value> 10. The results of the calculation of the Partial Least Square (PLS) program. The tolerance value for all independent variables is more than 0.10. The VIF value of all independent variables shows less than 10.0 where α = 0.05. So in this regression model, there is no multicolonaryity.

Table 2- Results of Multiple Linear Regression Analysis

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	23,408	5,494		4,261	.000		
	Economic Literacy	.211	.081	.263	2,591	.011	.995	1,005
	Financial Literacy	.069	.078	.090	.883	.379	.995	1,005

a. Dependent Variable: Financial Intelligence

Multiple Linear Regression Analysis

To determine the regression formula in this study, it can be seen in Table 3 above. Based on the table above, an equation model can be made by writing it as follows:

$Y = 23.408 + 0.263 X1 + 0.090 X2 + \mu$

Where :
Y = Student Financial Intelligence
X1 = Student Economic Literacy
X2 = Student Financial Literacy
μ = error (0.05)

Coefficient of Determination (R2)

The coefficient of determination shows the capital independent variable (economic literacy (X1), financial literacy (X2), in explaining the dependent variable (Financial Intelligence), the adjusted R Square figure shows the coefficient of determination. The adjusted R square is 0.60. This means 60% changes in variable Y are caused by changes in variables X1 and X2 while the remaining 40% is caused by external factors changes in variables X1 and X2. The adjust number used is because the number of variables is more than 2. If less than two, then the R square is used.

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Table 3- Results of Multiple Linear Regression Analysis

Model Summary b

Model	R	R Square	Adjusted R Square	R Std. An error of the Estimate
1	.284a	.080	.060	5,305

a. Predictors: (Constant), Financial Literacy, Economic   Literacy

b. Dependent Variable: Financial Intelligence

Hypothesis Testing Results

There are two hypothesis tests in this study including the t-test and the F test using multiple linear regression analysis. Multiple linear regression analysis functions to determine the effect either individually (partially) or simultaneously (simultaneously) between the independent variables, namely economic literacy, financial literacy with the dependent variable in the form of financial intelligence. The following is the result of calculations using multiple linear regression Partial Least Square (PLS).

1. F Test Results

F test is used to test the significance of the relationship between the independent variables simultaneously with the dependent variable. The F test is used to determine whether the results of the regression analysis are significant or not, in other words, the suspected model is suitable or not. If the result is significant, then H_o is rejected and H_a is accepted. The following is an explanation showing the results of the F test and the size of the F table with the degree of freedom.

Table 4- Results of Multiple Linear Regression Analysis

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	221,570	2	110,785	3,936	.023a
	Residual	2533,334	90	28,148		
	Total	2754,903	92			

a. Predictors: (Constant), Financial Literacy, Economic Literacy

b. Dependent Variable: Financial Intelligence

From table 5 above proves that F count (3,936)> F table (3,377) while significant (0.023) <from alpha at the level of 5% or 0.05 so that the hypothesis can be concluded that Ha is accepted. This means that there is a significant influence between the influence of student economic literacy, student financial literacy on student intelligent campus Entrepreneur Memor Al-Qur'an (KEPQ). And the hypothesis is simultaneously accepted. Meanwhile, Ho who reads simultaneously was rejected. So the simultaneous hypothesis testing in this study shows that economic literacy (X1) and financial literacy (X2) have a simultaneous effect on financial intelligence (Y).

2. T-test results

The t-test is used to determine whether each independent variable partially has a significant effect on the dependent variable. It can also be said that if t count> t table, the results are significant and it means that H_o is rejected and H_a is accepted. Meanwhile, if t count <t table, the result is not significant and it means that H_o is accepted and H_a is rejected. To determine the t table test value through researchers looking at the t table, from this study the t table value was 1.990. Meanwhile, to determine the t count, the researchers used the Partial Least Square (PLS) program, here are the results;

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Table 5- : t-test data (partial)

Hypothesis	Variable	t Count	Significant	t table
There is a significant effect of student economic literacy on student financial intelligence atAl-Qur' a memorizing entrepreneurship campus (KEPQ)	Literacy Student Economics (X1)	2,591	0.011	1,990
There is no significant student financial literacy on student financial intelligence at Al-Qur'an memorizing entrepreneurship campus (KEPQ)	Financial Literacy (X2)	0.883	0.379	1,990

From the data above, the t-test was carried out for the hypothesis, namely testing the hypothesis partially between the variables X1 (student economic literacy) and Y (student financial intelligence) showing that t count (2.591)> t table (1.990). This means that the test variable X1 (student economic literacy) affects Y (student financial intelligence).

Meanwhile, variable X2 (student financial literacy) and Y (student financial intelligence) show that T count (0.883) <T table (1.990). This means that the test variable X2 (student financial literacy) does not affect Y (student financial intelligence).

V. DISCUSSION

1. The effect of student economic literacy on student financial intelligence

The effect of student economic literacy on student financial intelligence-Qur'an memorizing entrepreneurship campus (KEPQ). It can be seen from the regression coefficient on variable X1, the number is 0.263, so the effect of economic literacy on student financial intelligence is 0.263 for each increase of one unit of variable X1. While the test for the significance of multiple linear regression coefficients for the economic literacy variable obtained t count <t table, namely 2,591> 1,990 with a significance level of 0.011> 0.05. It can be concluded that Ho is accepted. Ha is rejected, which means that there is a significant positive effect of economic literacy on student financial intelligence campus Entrepreneur Memor Al-Qur'an (KEPQ) Surabaya.

2. The effect of student financial literacy on student financial intelligence

The effect of student financial literacy on student financial intelligence campus Entrepreneur Memor Al-Qur'an (KEPQ) Surabaya. It can be seen from the regression coefficient on variable X2, the number is 0.090, so the effect of student financial literacy on student financial intelligence is 0.090 for each increase of one unit of variable X2. While the multiple linear regression coefficient significance tests for financial literacy obtained t count <t table, namely (0.883) <T table (1.990) with a significance level of 0.379> 0.05. It can be concluded that Ho is rejected, which means that there is no significant positive effect of student financial literacy on student financial intelligence campus Entrepreneur Memor Al-Qur'an (KEPQ) Surabaya.

IV. CONCLUSION

Based on the results of research that has been conducted on economic literacy, financial literacy on student financial intelligence Campus Entrepreneur Memor Al-Qur'an (KEPQ) Surabaya can be concluded as follows:

1. Economic literacy has a significant effect on financial intelligence. From these results, it can be concluded that if students have high economic literacy then it cannot affect student financial intelligence.
2. Financial literacy does not have a significant effect on student financial intelligence. From these results, it can be concluded that if students have high financial literacy, it does not affect students' financial intelligence.
3. Simultaneously, the variable economic literacy (X1) and financial literacy (X2) affect financial intelligence. It can be concluded that when economic literacy, increased financial literacy will affect the increase in student financial intelligence.

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