

The Role of Economic Literacy In Increasing Financial Awareness of High School Students

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THE ROLE OF ECONOMIC LITERACY IN INCREASING FINANCIAL AWARENESS OF HIGH SCHOOL STUDENTS (HIGH SCHOOL)

ARTICLE INFO	ABSTRACT
Published: 20 May 2024	<i>This research aims to explore the role of education in financial literacy to increase financial awareness among high school students and define good economic literacy in terms of knowledge and behavior. Financial literacy education in the role of economic education is a very important part of shaping behavior and skills in making decisions about students' financial conditions. Therefore, the obligation to increase economic literacy is very necessary for high school students because they can obtain proper debt management, asset accumulation, financial protection, increase savings and be smart in money management. The results of this research show that the role of Economic Literacy has a positive impact in improving the finances of high school students, one of which is being able to manage and administer finances so that they are embedded in a spirit that really understands managing finances from a young age.</i>
Keywords: <i>Economic literacy, financial, student</i>	

INTRODUCTION

Previous research related to the title The influence of financial literacy on students' financial management behavior. Financial literacy is a combination of awareness, knowledge, skills, attitudes and behavior that a person must have in order to make good financial decisions and ultimately achieve personal financial prosperity (Sugiharti,dkk, 2019). Empowering consumers through financial literacy is believed to be able to support efforts to stabilize the financial system, improve community welfare, and achieve more inclusive development. Financial literacy has become an important part of everyday life and a life skill that all individuals must acquire throughout their lives.

Aisyah et al., (2022) said that economic literacy is basic knowledge about economics both in theory and concepts or applications that can help everyday life. However, sometimes imbalances arise such as consumptive behavior because this behavior is irrational which results in low economic literacy. (Aisyah & Astri 2022).

If we observe that economic conditions in Indonesia tend to be unstable, people must experience confusion about taking economic action, in the end society will create less stable economic conditions in society. Therefore, it is very important to grow people's economic literacy so that people can be better prepared to face various economic conditions and how to create prosperity. The decisions taken by today's young people greatly influence their future in the long term. For the sake of their welfare, today's young people must have financial knowledge and skills to manage their personal finances effectively (Putra et al., 2020).

Based on several problems that occur in micro and macro economics, it has an important role in growing people's economic literacy. Economic literacy is a condition where someone can understand basic economic problems well, so that someone can solve problems and carry out economic activities well. Economic literacy is also a basic literacy (foundational literacy) that must be possessed by all people and all groups, including students as part of society. A parent is someone who plays an important role in shaping a child's character (Anggraini & Karneli, 2021). Parents who provide financial literacy to children who act as students in learning will be able to reduce financial management errors among students.

The economic learning process that occurs in schools is one of the most possible approaches to increasing this literacy. As stated by (Lestari, 2020), financial literacy is knowledge about finances that is used to achieve prosperity. Financial literacy makes individuals better prepared to face financial globalization. Literacy is also an important thing that individuals must have in achieving prosperity in the financial sector, meaning that every individual who has proper financial planning will enable that individual to avoid financial problems and be able to find solutions if financial problems occur.

Based on the description above, in general, in order to increase students' financial awareness, it is important to implement more effective and integrated financial learning. The aim of this research is to explore the role of education in financial literacy to increase financial awareness among high school (Senior High School) students and define good economic literacy in terms of knowledge and behavior.

METHOD

In this research the author uses a qualitative research method which is carried out with research based on appropriate methodology, making it easier to solve the problem to be researched. The researcher's methodological investigation creates a complex picture, by examining words, detailed reports of respondents' views, and conducting studies in natural situations. This research was conducted so that the economic literacy habit of senior secondary (SMA) students can increase and become re-educated with this research.

In this qualitative research, the researcher's presence is the main key in the research report in order to connect with sources and understand the facts directly at the research location. The location of the research was carried out at Jl. Pondok Gede Permai, Jatirasa, Bekasi city. The informants or research sources were 3 students/alumni (SMA) majoring in social sciences. Popular This research consisted of alumni from high school (SMA) students or active students, especially students majoring in social sciences.

Tabel 1.

Initials	Age	Alumni	Department
DW'	19 years old	Senior High School 21 Bekasi City	Head of Paskibra Senior High School 21 Bekasi City
AA'	19 years old	Senior High School 21 Bekasi City	Head of Section 5 of the Student Council of Senior High School 21 Bekasi City
YV'	19 years old	SMA Negeri 21 Bekasi City	Member of Section 4 of the Student Council of Senior High School 21 Bekasi City

This research is in the form of primary data, namely data obtained directly where active students and alumni are considered to be appropriate informants and are expected to know what will be researched. The criteria mentioned in this research are:

1. Research respondents were alumni and students of high schools) closest to the research area.
2. Respondents were students with certain majors, namely social sciences (social science) or students who had experience with economics subjects. In determining the sample size, the exact number of the population is not known.

The data collection procedure in research is in the form of primary data, namely the data taken consists of three procedures, namely: (1) observation, (2) interviews, and (3) documentation. And for secondary data, namely data obtained through library sources including library books,

school data, and journals resulting from related research. The data analysis techniques used are based on those proposed by Miles & Huberman, namely data reduction, data presentation and conclusions.

RESULTS AND DISCUSSION

This research focuses on how much influence economic literacy has in increasing students' financial awareness and the implementation that has been carried out by students, especially students at SMA Negeri 21 Bekasi City. The information and data collected in the form of instruments in this research were obtained from alumni informants at State High School 21 Bekasi City. Contains 5 points, namely (1) Economic Literacy influences understanding of personal financial concepts (2) Economic Literacy helps make wise financial decisions (3) Economic Literacy helps the future financially (4) Economic Literacy activities are useful in everyday life (5) Economic literacy is very important for the younger generation in managing finances. Then, in order to clarify the interviewee's answers regarding questions in the interviews conducted, the following table contains details of the answers of Alumni at SMA Negeri 21 Bekasi City as resource persons:

Table 2.

Question	Informant's Answer
<p>"How economic literacy has influenced the way you understand your personal finance concepts"</p>	<p>" DW, Through understanding economics, I can understand how to manage my money better, pay close attention to spending, and make better long-term financial plans."</p> <p>"AA, With Economic Literacy I have knowledge in managing finances, one of which is that I can save my personal finances"</p> <p>" YV, Financial literacy helped me understand the importance of identifying needs and wants, and I now always make financial plans, and apply the principles of effective financial management."</p>
<p>"Do you feel economic literacy helps you make wiser financial decisions?"</p>	<p>" DW, very helpful with a good understanding of basic financial concepts, I can manage money better, make smart investment decisions, one of which I am currently looking at is investing in Antam gold."</p> <p>"AA, it's very true because financial literacy can help me make wiser financial decisions and information"</p> <p>"YV, at the moment I am still a little doubtful because there are several factors, I have applied economic literacy but sometimes it is difficult to make wiser"</p>

	financial decisions"
"How economic literacy helps you prepare for the future financially"	<p>"DW, Economic literacy helps me prepare myself for the future financially by giving me a better understanding of how to manage money, one of which is by saving for certain goals or as my financial savings when facing the future"</p> <p>"AA, Economic Literacy has really helped me in preparing myself for the future financially, but honestly I haven't prepared for things like investment or so on"</p> <p>"YV, it's very helpful because with Economic Literacy I can save a little of my finances"</p>
"Are there any specific skills or knowledge in economic literacy that you find particularly useful in your daily life?"	<p>"DW, Yes, one of them is how I can make a month's budget (Skincare Needs Shopping) in detail"</p> <p>"AA, Yes there is, such as a basic understanding of economics, including the concepts of inflation, supply and demand that are currently occurring"</p> <p>"YV, yes, it's enough to be able to choose which products are important and which are not important."</p>
"In your opinion, how important is economic literacy in preparing the younger generation to manage their own finances?"	<p>" DW, In my opinion, economic literacy is very important in preparing the younger generation to manage their own finances. With a solid understanding of economic and personal finance concepts, young people can make smarter financial decisions, reduce the risk of future financial problems, and build financial stability for themselves."</p> <p>" AA, In my opinion, economic literacy is very important in preparing the younger generation to manage their own finances, as the ability to understand economic concepts, manage personal finances, and make smart financial decisions are vital skills in everyday life. In this case, economic literacy helps individuals to develop a strong understanding of how the economy works, how to manage money wisely, and how to make sound financial decisions."</p>

	"YV, it is very important, understanding Economic Literacy can encourage the younger generation to be more aware of managing their personal finances, to prepare them for their future lives"
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Interview Results (2024)

1. Economic Literacy influences understanding of personal financial concepts

Economic Literacy influences understanding of personal financial concepts. Financial literacy is very important in society so that people are smarter in managing their personal finances. Good financial literacy helps individuals make decisions related to financial management appropriately. Financial literacy is part of economic literacy, which is defined as an understanding of a series of economic concepts that can be used to manage finances. Natalia, D. E., Murni, S., & Untu, V. N. (2019).

Through the results of research related to Economic Literacy, it influences understanding of personal financial concepts in Pondok Gede Permai, Jatirasa, Bekasi city. With resource persons from 3 alumni of SMA Negeri 21 Bekasi City, researchers can conclude that Economic Literacy has had a huge impact in increasing understanding of the concept of personal finance. This conclusion is based on the results of interviews in research that has been carried out that the resource person, an alumni of SMA Negeri 21 Bekasi City, stated that economic literacy helps their personality in understanding the concept of personal finance, which has a real impact on individuals. One of the impacts felt by individuals is that economic literacy can help understand basic financial concepts such as savings, income, expenses, investment, debt, risk and insurance protection.

With this understanding, individuals can make financial decisions more carefully and wisely in managing finances. Then, economic literacy can enable individuals to make decisions about economic problems, formulate alternative solutions and consider the benefits and costs of each financial decision taken. Managing personal finances is not an easy thing, in fact earning money is easier than managing it. Some experts agree that managing personal finances is as important as making money itself.

Therefore, economic literacy also plays an important role in improving behavior from individuals who are not intelligent to being intelligent in managing finances. Through an understanding of in-depth economic concepts, individuals can better plan personal finances, manage financial risks and gain prosperity in personal finances in the future. Thus, Economic Literacy is not only an important tool in managing personal finances and is the key to achieving the goal of a more prosperous life in managing personal finances.

2. Economic literacy helps make wise financial decisions

Economic literacy has an important role in making wise financial decisions for individuals, one of which is helping to make wise financial decisions, by having economic literacy for good financial decisions, individuals can manage finances well such as reducing debt burdens in the future and preparing financial condition in retirement. Economic literacy is an important platform or foundation for anyone who wants to achieve stable and sustainable finances. By understanding

financial economic concepts, individuals can manage and identify income and achieve financial goals more effectively. Increasing economic literacy is not only an investment in yourself but also the key to opening the door to a brighter financial future.

Through research results, economic literacy helps make wise financial decisions in Pondok Gede Permai, Jatirasa, Bekasi city. With resource persons from 3 alumni of SMA Negeri 21 Bekasi City, researchers can conclude that Economic Literacy is very helpful for individuals to have a good understanding of basic financial concepts and be able to manage money well and provide information about making financial decisions wisely in addition to being able to make wise decisions. like investing in Antam gold. Apart from that, there was one source who was a little hesitant due to several factors, for example sometimes it is still difficult to make wise financial decisions.

Economic Literacy helps make wise financial decisions. Knowledge of finance and good financial management is very important in determining investment decisions and managing finances wisely. Financial literacy can influence the investment decisions of the millennial generation. People and individuals who are aware of financial literacy or financially intelligent can understand financial planning, so they can make financial decisions to achieve their financial goals. Utari & Yudiantara (2023).

3. Economic literacy helps the future financially

Economic Literacy helps the future financially by providing the knowledge and skills necessary to make wise financial decisions. Through understanding financial literacy, a person can manage finances better, allocate income for various goals, build savings, pay off debt, and meet emergency fund needs. Financial literacy also helps individuals to avoid investment scams that can damage personal finances and interfere with future financial goals. Thus, having good financial literacy provides long-term benefits for each individual in achieving a more prosperous life in the present and future. Riyad (2022)

The higher the level of financial literacy an individual has, the greater the understanding and resulting wise behavior in managing finances effectively. The understanding that every individual must have is vital to achieving the goal of a prosperous life and a better life. no matter how big an individual's income or earnings, if there is no understanding of economics or proper financial management, then this will be a challenge for life in the future.

Through research results, economic literacy helps a wise financial future in Pondok Gede Permai, Jatirasa, Bekasi city. With resource persons from 3 alumni of SMA Negeri 21 Bekasi City, researchers can conclude that Economic Literacy, preparing oneself for the future financially, can help individuals prepare themselves for the future financially by providing a better understanding of how to manage finances, such as saving for certain goals or as financial savings to face the future. However, one of the speakers was not yet able to fully implement financial preparation for the future, such as investing or something like that.

In this way, economic literacy can also influence the way individuals manage expenses and income. Individuals who have a good understanding of financial management can plan, analyze and control finances effectively and efficiently. This is included in the money management aspect which is an important part of financial literacy. Economic literacy helps individuals in asset

accumulation, better debt management, financial protection, increased savings and smart management and spending for the future.

4. Economic Literacy activities that are useful in everyday life

Economic literacy is needed in various aspects of finance which is useful for managing finances related to daily life. Economic literacy about abilities and making money and the basics of creating a budget and how to invest for the future as well as being able to create financial management skills and ensure smooth finances for everyday life. After knowing and applying it well, you will be able to manage your daily to monthly finances in a balanced manner and have savings and knowledge about insurance and avoid debt.

Through research results, Economic Literacy is useful in everyday life in Pondok Gede Permai, Jatirasa, Bekasi city. With resource persons from 3 alumni of SMA Negeri 21 Bekasi City, researchers can conclude that Economic Literacy provides special knowledge in everyday life. Economic literacy is very helpful for individuals to know how to make a budget such as shopping for monthly necessities such as skincare in a detailed way. Economic literacy also helps to understand the basics of economics such as the concept of inflation, supply and demand which certainly often occur, apart from that economic literacy is also useful for individuals to be able to choose enough to buy important and non-important products.

According to Anita Rahayu, Nuraini Asriati, n.d. Economic literacy is very important for students in influencing students' welfare in everyday life, if students can manage their finances appropriately and intelligently so that students will not face difficulties in managing their finances. So, with economic literacy, students are able to learn how to save money and are able to make savings so they can buy what they want. Stevani & Gumanti (2019) explain that making smart economic decisions is the right choice. Everyone needs to make the right economic decisions in their daily lives. Such as when a person's ability to differentiate between needs and desires, where needs and desires have a slight difference as they increase income. This makes economic literacy the right thing to have. However, the fact is that not everyone has strong economic literacy to make the right economic decisions.

Economic literacy or what is often called basic economic knowledge (economic literacy) is the assumption that underlies people to be able to think rationally in the economic field, especially in making economic decisions. According to the theory about Economic Literacy activities that are useful in everyday life, economic literacy is an individual's ability to apply basic economic concepts and think critically in making daily economic decisions. Economic literacy helps individuals manage personal finances well, including making budgets, managing debt, understanding insurance, and evaluating financial decisions.

5. Economic literacy is very important for the younger generation in managing finances.

Economic literacy is very important for every individual, but not only that, the younger generation must also understand financial economics to manage finances well as protection to avoid complex financial problems, so that the younger generation can manage their finances wisely from a young age. The younger generation who have knowledge about financial management such

as saving, do not necessarily carry out saving behavior. This is in accordance with research by Rahayu & Nurfauziah (2020). Understanding and implementing financial literacy among young people is needed to avoid bigger mistakes in the future.

The Financial Services Authority (OJK) plays a role in increasing financial literacy in Indonesia. OJK's mission is to introduce Indonesian financial services institutions to the public and supervise financial services institutions. Financial literacy in Indonesia is based on the results of the 2019 National Literacy and Financial Inclusion Survey. Research on financial literacy in the younger generation is still very minimal at this time. Existing or extensive research on financial literacy is mostly on students and MSMEs. However, there has been no recent research regarding the younger generation in terms of financial literacy and looking at it from the perspective of understanding and application. Financial literacy involves practical skills in managing personal finances, including the ability to plan, manage and allocate finances well. It also involves understanding how to build and maintain wealth, protect yourself from financial risks, as well as preparing for better financial controls, such as investing for Pension. Argue that good financial intelligence is characterized by a high understanding of financial literacy.

Through research results, Economic Literacy is very important for the young generation in Pondok Gede Permai, Jatirasa, Bekasi city. With resource persons from 3 alumni of SMA Negeri 21 Bekasi City, researchers can conclude that Economic Literacy is important for preparing the younger generation to manage finances, with a strong understanding of economic concepts and personal finance, the younger generation can make better financial decisions to reduce the risk of problems. finances in the future and build financial stability in the future.

Economic literacy for the younger generation also helps individuals know how the economy works and how to make decisions about managing finances. Apart from that, economic literacy for the younger generation can also help them to be more aware or careful in managing their personal finances and provide more information to avoid fraud. self-defeating finances. Economic literacy helps the younger generation to avoid being cheated by unethical financial practices and financial risks in the future. On the other hand, if the generation lacks an understanding of financial economics, it can make them vulnerable to fraud or detrimental financial practices. Therefore, increasing financial literacy is an important step for every individual, especially the younger generation and future generations.

CONCLUSION

Through discussion and research results regarding how big the role of Economic Literacy is in increasing the financial awareness of high school (high school) students on Jl. Pondok Gede Permai, Jatirasa, Bekasi City, which was obtained through interviews with three alumni of State High School 21 Bekasi City as resource persons in this research, obtained the first result, Economic Literacy has an influence in understanding the concept of personal financial understanding of the resource persons. Second, most of the interviewees said they agreed that Economic Literacy helps make wise financial decisions. Third, these 3 alumni of SMA Negeri 21 Bekasi City agree that Economic Literacy has influenced their mindset in preparing financially for the future. Fourth, Economic Literacy is also useful in everyday life. Fifth, the speakers strongly agreed that the younger generation must really understand the importance of Economic Literacy, understanding Economic

Literacy. This can encourage the younger generation to be more aware of managing their personal finances, to prepare them for their future lives.

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