

The Role of Financial Literacy at University Students in Jakarta

¹Jumiati, ² Kus Indiyah, ³Agus Wibowo, Gunarto Wardjono, Lidya Natalia Sartono

¹Institut Teknologi PLN

^{2,3,4}Politeknik Jakarta Internasional, Jakarta

⁵Universitas Indraprasta PGRI, Jakarta

Email: jumiati@itpln.ac.id¹, kusindiyah27@gmail.com², wibowoagus889@gmail.com³,
stefgw@yahoo.co.id⁴, lidyanataliasartono@gmail.com

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ABSTRACT

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This study examines the role of digital financial literacy among university students in Jakarta, motivated by increasing fintech adoption, pervasive social media influence, and rising risks such as illegal lending and online fraud. A qualitative descriptive approach was employed, using in-depth semi-structured interviews with 10 purposively selected students in semesters 6 and 8 and documentary sources (campus materials, social media posts, and secondary data). Data were collected in Jakarta from January to March 2025 and analyzed thematically through open, axial, and selective coding, with triangulation and member checking to ensure validity. Findings show that digital financial literacy significantly enhances students' ability to use fintech responsibly, evaluate online financial products, and maintain prudent budgeting and record-keeping practices. Literate students demonstrated greater resilience to predatory offers, reduced impulsive consumption driven by social media, and better preparedness for entrepreneurship and workforce entry. Peer education and institutional programs were identified as effective channels for disseminating digital finance competencies. The study concludes that integrating practical digital finance education into university curricula and strengthening collaborations with regulators and licensed fintech providers can improve financial outcomes and support national economic stability. Future research should explore longitudinal impacts, scalable intervention models, and quantitative assessments across larger, more diverse student populations to establish causal relationships and refine educational strategies.

INTRODUCTION

Financial literacy has emerged as a critical determinant of individual financial well-being and decision-making, particularly among young adults transitioning into independent financial lives. University students represent a unique demographic in this regard: they face new financial responsibilities, exposure to complex financial products, and social pressures that shape consumption patterns and long-term financial trajectories. In Jakarta, Indonesia's capital and economic hub, students confront a dynamic financial environment characterized by ubiquitous digital finance platforms, pervasive social media marketing, and a growing market for both conventional and Sharia-compliant financial services. Understanding the role of financial literacy among university students in Jakarta is therefore essential for shaping effective educational interventions, policy responses, and financial products tailored to this population.

Financial behavior — encompassing money management, spending, saving, borrowing, and investment decisions — is fundamentally influenced by an individual's financial knowledge, attitudes, and practical skills. Angelista et al. (2024) define financial behavior as an individual's way of managing, spending, and making decisions regarding their money, emphasizing that such behavior is shaped by financial

knowledge, lifestyle, and attitudes. This conceptualization underscores that financial literacy is not merely theoretical knowledge but a set of competencies that inform everyday financial choices. For university

students, who often manage limited budgets while balancing academic and social demands, these competencies determine their ability to cope with short-term needs and to form healthy long-term financial habits.

Evidence indicates that financial literacy has significant effects on financial risk exposure and personal financial management among students. Elsa et al. (2024) report that higher levels of financial literacy significantly reduce financial risk among university students and positively influence their financial behavior. This finding is particularly salient for Jakarta's student community, where the intersection of consumer culture and easy access to credit and digital payment systems can exacerbate risky financial behaviors such as impulsive spending or overreliance on debt. Strengthening financial literacy could therefore mitigate these risks by enhancing students' ability to evaluate financial products, recognize potential pitfalls, and adopt prudent consumption and saving practices.

The role of institutional actors in promoting financial literacy has also been emphasized. Putri and Sumiari (2021) highlight the critical role of regulatory and educational institutions — such as Indonesia's Financial Services Authority (OJK) — in advancing financial inclusion and literacy, particularly among students. Their observations suggest that structured efforts by educational institutions and financial regulators can bridge knowledge gaps and equip students with practical skills. For Jakarta's universities, embedding financial education into curricula, offering workshops, and partnering with financial institutions for experiential learning could be practical avenues for fostering literacy. Such initiatives would enable students to navigate increasingly sophisticated financial ecosystems and to make informed choices about savings, investments, and indebtedness.

Concurrently, the rise of financial technology and the availability of Sharia-compliant financial services add complexity to the landscape of financial literacy. Mustini et al. (2025) find that adequate Islamic financial literacy, supported by the adoption of fintech, significantly enhances inclusive, ethical, and responsible financial behavior among students. Their research, however, also points to persistent challenges including low overall literacy levels, digital divides, limited infrastructure, and a continued preference for informal services. In Jakarta, where fintech penetration is high yet inequalities in digital access remain across socio-economic segments, understanding how students perceive and use both conventional and Sharia-compliant digital financial services is vital. Effective financial literacy programs must therefore address not only general financial principles but also the distinctive features of digital platforms and Sharia-compliant offerings.

Social media and marketing exert additional influence on student financial behavior. Abidin et al. (2025) note that students are continuously exposed to promotional content on social media, including discounts and attractive consumer offerings that shape everyday consumption. This exposure can amplify impulsive spending and normalize consumption-driven lifestyles if not counterbalanced by robust financial knowledge and self-regulation. Financial literacy aimed at students must therefore incorporate critical media literacy components: teaching students to discern marketing strategies, evaluate the real costs of consumption, and resist impulsive purchase triggers fueled by social media. Such skills are crucial for cultivating conscientious consumers who can align spending with long-term financial goals.

Collectively, these findings indicate that financial literacy among university students in Jakarta is multidimensional, intersecting with educational policy, digital finance, cultural consumption patterns, and religiously framed financial products. The available literature underscores the positive impacts of literacy on reducing financial risk and improving financial behavior, while also highlighting structural and contextual barriers that impede effective literacy dissemination. For Jakarta, targeted research and intervention are needed to assess current literacy levels, identify specific knowledge and practice gaps, and design culturally and technologically appropriate educational programs.

This study seeks to explore the role of financial literacy among university students in Jakarta by examining how knowledge, attitudes, and access to financial technologies and Sharia-compliant products influence financial behaviors and risk exposure. By situating the investigation within the local socio-economic and digital context, the research aims to generate actionable insights for universities, policymakers, and financial service providers. Addressing gaps in student financial literacy is not only a matter of individual welfare but also contributes to broader financial inclusion and economic resilience.

Through empirically grounded recommendations, stakeholders can better support Jakarta's students in developing responsible, ethical, and sustainable financial behaviors that will benefit individuals and the wider community.

METHOD

The research methodology is qualitative with a descriptive approach to understand the role of financial literacy among students in Jakarta. Data were collected through in-depth interviews and documentation. Interviews targeted 10 purposively selected respondents—active students in semesters 6 and 8 from various majors at universities in Jakarta—to obtain in-depth perspectives on their financial knowledge, attitudes, and practices. Documentation included campus activity notes, financial literacy outreach materials, social media posts related to consumption behavior, and relevant secondary data supporting the contextual findings. The study was conducted in Jakarta during October–December 2024.

The research stages included: preparation (problem formulation, literature review, development of interview guides, ethical approvals, and respondent selection); data collection (conducting semi-structured interviews face-to-face or online as appropriate, collecting documents, and contextual observation); transcription and data organization (transcribing interview recordings and categorizing documents); thematic data analysis (open, axial, and selective coding to identify patterns, themes, and relationships among constructs of literacy and financial behavior); and drawing conclusions and reporting (integrating findings, relating them to the literature, and formulating recommendations). All stages were documented to ensure an audit trail.

Data validity was tested using source and technique triangulation: comparing interview findings with documentation and observations to assess information consistency; temporal triangulation where possible by checking respondents' statements against historical documents or social media posts; and researcher triangulation by involving at least two analysts to minimize interpretive bias. Additionally, member checking was conducted by confirming summary findings with several respondents to ensure accurate representation. Ethical measures such as informed consent, respondent anonymity, and secure data storage were applied throughout the study.

RESULT AND DISCUSSION

Financial literacy plays a central role in shaping the economic futures of university students by fostering habits, resilience, entrepreneurial capacity, peer education, and broader economic stability. (Achdiat, M,et al, 2025). During college years, students form financial routines that often persist into adulthood; establishing prudent behaviors such as regular saving, expense tracking, and budgeting builds a foundation for lifelong financial health. These practices reduce impulsive consumption and support accumulation of emergency funds, enabling graduates to transition into the workforce or scale small ventures with a stronger balance between risk and security (Angelista et al., 2024). When students routinely record expenditures and prioritize saving, they not only avoid short-term liquidity crises but also create the discipline necessary for longer-term financial planning, including investments and retirement preparation.



fig 1. Discussion of money skill from BNI

Financial literacy also enhances student resilience against digital financial risks. As digital payment platforms, lending apps, and online marketplaces proliferate, so do predatory schemes like illegal lending (pinjol), online gambling, and sophisticated fraud. Informed students are better able to evaluate terms, recognize red flags, and choose licensed, transparent providers; they understand interest mechanics, data privacy implications, and the dangers of unsecured credit (Abidin et al., 2025). This capacity to use fintech responsibly mitigates exposure to excessive consumer debt and cyber-enabled financial crimes. Moreover, literacy in both conventional and Sharia-compliant financial principles equips students to select services aligned with their values and risk tolerances, reducing vulnerability to unsuitable products (Mustini et al., 2025). A well-developed financial understanding encourages rational investment behavior and supports innovation. Students who grasp basic investment concepts—risk diversification, time horizon, and return expectations—are more likely to make sound choices in savings, stock market participation, mutual funds, or peer-to-peer platforms, rather than succumbing to speculation or hype. Financially literate students can appraise startup opportunities, leverage fintech tools for business models, and apply cost-benefit reasoning to entrepreneurial decisions. This capability not only helps individual ventures succeed but also fosters an innovative talent pool that contributes to digital economic transformation and national competitiveness (Mustini et al., 2025; Angelista et al., 2024).

Beyond individual advancement, students act as peer educators and multipliers of financial knowledge. University students who are confident in financial matters frequently share insights with classmates, family, and community members, thereby amplifying literacy more broadly. Peer-to-peer education is particularly effective in campus settings where social influence shapes behavior; student-led workshops, social media campaigns, and informal mentoring can raise overall financial awareness and promote best practices (Putri & Sumiari, 2021). As these networks expand, collective improvements in budgeting, saving, and prudent borrowing accumulate, contributing to higher national financial literacy indices (Elsa et al., 2024).



Fig 2. Discussion of Financial Literacy

The aggregate effect of these individual and social improvements supports macroeconomic stability. When a sizable cohort of young adults manages income and credit responsibly, the financial system benefits from lower default rates, more stable consumption patterns, and healthier savings flows. Sound personal finance practices at the population level enhance the resilience of banking systems and reduce systemic risk, thereby underpinning broader economic stability (Angelista et al., 2024; Elsa et al., 2024). Public policies and university programs that strengthen student financial capabilities thus yield dividends beyond private welfare, supporting sustainable growth and inclusive financial development and system information skill can bu upgrade the literation (Widiyarto, S.,et al, 2023).

Financial literacy is particularly consequential when students launch businesses or enter the workforce. For student entrepreneurs, knowledge of cash flow management, cost accounting, pricing, and funding options is essential to sustain operations and scale (Suprpto, H. A et al, 2025).. Literate students can construct realistic budgets, negotiate fair financing, and use digital tools for bookkeeping and market analysis—skills that lower failure rates and improve profitability. In employment contexts, graduates who display financial competence are better prepared to manage salaries, benefits, tax obligations, and employer-provided savings schemes; this competence enhances job stability and career progression by enabling sound personal financial planning and informed decisions about compensation packages (Putri & Sumiari, 2021; Mustini et al., 2025). Moreover, understanding creditworthiness and personal financial records facilitates access to formal financial services, which can be crucial when capital is needed to grow a business or to smooth income transitions early in a career (Elsa et al., 2024).

To realize these outcomes, coordinated efforts are required: curricular integration of practical financial education, partnerships between universities and financial regulators or fintech firms, and targeted programs addressing digital and Sharia-compliant finance. Empirical evidence underscores that financial literacy interventions reduce risky behaviors, foster positive financial habits, and empower students as agents of wider societal change (Elsa et al., 2024; Abidin et al., 2025; Angelista et al., 2024). Addressing barriers such as unequal digital access and limited infrastructure is also necessary to ensure all students benefit from literacy initiatives (Mustini et al., 2025). In sum, financial literacy equips students with the competencies to manage personal finances responsibly, to innovate and invest wisely, to educate peers, and to contribute to national economic stability—advantages that are especially critical when launching ventures or entering the job market (Putri & Sumiari, 2021; Mustini et al., 2025; Abidin et al., 2025).

CONCLUSION

Digital financial literacy plays a central role for university students by equipping them with the skills to navigate fintech, evaluate online financial products, protect personal data, and resist predatory offers. Students with strong digital literacy make more informed choices about payments, credit, and investments, reducing exposure to illegal lending, fraud, and impulsive spending driven by social media. They also leverage digital tools for budgeting, record-keeping, and market research, which supports entrepreneurial initiatives and smoother transitions into the workplace. The study's findings indicate that digital literacy complements traditional financial knowledge, fostering prudent consumption, responsible fintech usage, and ethical considerations when choosing Sharia-compliant services. Implications include the need for universities and policymakers to integrate practical digital finance modules into curricula, promote hands-on training with secure fintech platforms, and collaborate with regulators to raise awareness of consumer protections. Campus-based peer education programs and partnerships with licensed fintech providers can amplify outreach and mitigate digital divides by offering accessible resources and mentorship. For employers and entrepreneurs, enhancing digital financial competencies among graduates can improve job readiness and business sustainability. Future research should examine longitudinal impacts of digital financial literacy interventions on behavior over time, test

scalable program models across diverse socioeconomic student populations, and explore the interaction between digital literacy, mental health, and consumption patterns. Quantitative studies using larger samples and experimental designs could measure causal effects, while qualitative research can probe barriers to adoption among marginalized groups. Investigating the role of social media influencers in shaping student financial decisions would inform educational strategies.

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