



## THE EFFECT OF SHARIA FINANCIAL LEARNING AND SHARIA FINANCIAL LITERACY ON INVESTMENT INTENTION

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**Abstract:** This study aims to: [1] analyze the effect of sharia financial learning on investment intention in Semarang University. [2] Analyzed the effect of sharia financial literacy on investment intention in Semarang University. This study uses quantitative analysis with multiple regression tests where there are three stages of analysis that must be carried out, namely: a partial significance test, a model feasibility test, and an analysis of the coefficient of determination. The population is active students who are taking Financial Management courses in Department of Management, Faculty of Economics, Semarang University in the academic year 2016/2017, as many as 97. Sampling in this study uses the Census method. The results of the study are: [1] sharia financial learning has a positive and significant effect on investment intention in students of Semarang University. [2] Sharia financial literacy has a positive and significant effect on investment intention in students of Semarang University.

Keywords: *financial, intention, learning, literacy, sharia*

**Abstrak:** Tujuan penelitian ini untuk: [1] menganalisis pengaruh syariah belajar keuangan pada niat investasi di Universitas Semarang. [2] menganalisis pengaruh literasi keuangan syariah terhadap niat investasi di Universitas Semarang. Penelitian ini menggunakan analisis kuantitatif dengan uji regresi berganda dimana terdapat tiga tahapan analisis yang harus dilakukan, yaitu: uji signifikansi parsial, model uji kelayakan, dan analisis koefisien determinasi. Populasi adalah siswa aktif yang mengambil mata kuliah Manajemen Keuangan di Program Studi Manajemen Fakultas Ekonomi Universitas Semarang pada tahun akademik 2016/2017, sebanyak 97. Pengambilan sampel dalam penelitian ini menggunakan metode Sensus. Hasil penelitian ini adalah: [1] pembelajaran keuangan syariah memiliki pengaruh positif dan signifikan terhadap minat investasi pada mahasiswa Universitas Semarang. [2] Literasi keuangan syariah memiliki pengaruh positif dan signifikan terhadap minat investasi pada mahasiswa Universitas Semarang.

**Kata Kunci:** *keuangan, literasi, niat, pembelajaran, syariah*

### Introduction

Investment is the result of a multi-dimensional process. Economic development is one of the functions of investment in terms of investment or economic factors that are the most essential and easily measured quantitatively (Meer, 2003). However, in the real world that an investor who will invest in a particular business field will always pay attention to environmental safety factors, legal certainty, investment land status and government support (Bachri, 1994, 2003, 2004). In economic theory, investment means the purchase (and also the production) of capital/goods that are not consumed but are used for future production (manufactured goods). An increase in income will encourage greater investment, but a higher interest rate will reduce interest in investment. Investing in financial markets is becoming a preferred way for investors. Currently there are many financial instruments, such as those in the money market, namely deposits and savings including cash whose value is determined directly by the market, then there are stocks and bonds in the capital market.

Students can make financial decisions well if they have learned related to financial problems. Students as young people will not only face increasing complexity in financial products, services, and markets, but are more likely to have to bear greater financial risks in the future than students' parents (Lusardi, 2010). Financial learning at the University is a means of increasing financial knowledge can contribute literacy knowledge for students. Research conducted by Gutter in Sabri (2011) states that financial education has a significant effect on the formation of financial knowledge. Likewise, research conducted by Widayati (2012) states that there is an influence between learning and the level of financial literacy of students from the attitude and cognitive aspects.

In reality, students place more money in the form of savings. The high amount of savings shows that students still lack understanding about investing in the capital market. Little student participation in

investing in the capital market because of the limited knowledge of the investment. Students are generally still in the "saving society" (people who save) and have not been in the level of "investing society" (people who invest). Therefore, investment as a way to achieve financial goals in particular has not become a large part of the financial life of students in general. To transform students into investment society, the role of students and students' knowledge about investing in the capital market needs to be improved. Related to students' interest in investing in the capital market, financial learning plays an important role. In other words, people are considered to learn if they show changes in behavior in their lives, so financial literacy becomes important. Financial literacy can be interpreted as understanding someone in making smart choices related to resource allocation (Sina, Peter 2012). Financial literacy is also useful for opening up shackled perceptions due to lack of knowledge about costs / benefits. Widayati (2012) explains that lectures play an important role in the process of forming student financial literacy. Effective and efficient learning will help students have the ability to understand, assess, and act in financial interests. Lutfi and Iramani (2008) stated that learning in financial lectures affects financial literacy.

Bhushan & Medury's research (2013) revealed that financial literacy is the ability to make informed judgments and make effective decisions about the use and management of money. Financial literacy is very important to improve the country's economy (Nidar & Bestari, 2012), through sufficient knowledge, experience and business sense to analyze which effects will be purchased in investing in the capital market (Halim, 2009). According to Budiwati (2014) economic literacy (including finance) is important in daily life. The statement is in line with the opinion of Gary H. Stern, President of the Federal Reserve Bank of Minneapolis: "Economic literacy (including finance) is very important because it is a measure of whether people understand the power that significantly influences their quality of life (NCEE, 2009)." by the opinion of Robert F. Duvall, President and CEO of the National Council on Economic Education (NCEE): "Economic literacy is an important skill, as important as reading literacy (NCEE, 2009)". Once the importance of economic literacy is expected by consumers of economic literacy to be rational consumers in carrying out economic actions, one of which is investment in the capital market.

Based on the questionnaire that the researchers obtained in the survey to see the phenomenon of investment intention in the capital market at student of Semarang University. This study aims to analyze the effect of sharia financial learning and sharia financial literacy on the investment intention in the capital market at student of Semarang University.

### **Learning Theory**

Learning is the conscious effort of educators to learn their students (directing the interaction of learners with other learning resources) in order to achieve the expected goals (Trianto, 2009 in Widayati, 2012). The learning process also plays an important role in the process of forming students' interest in investing. Lutfi and Iramani (2008) in Widayati (2012) through a combination of well-planned teaching, media, and learning resources that are in accordance with competencies, are expected to be able to provide students with financial skills, so students become ready and able to face life when this and an increasingly complex future. Indicators that can be taken are courses that can increase student financial literacy, teaching methods that can increase student knowledge about finance, campus involvement in holding financial seminars, references provided by universities related to financial literacy. How to learn, learning experiences, and some aspects related to learning activities have a strong enough influence on the level of literacy in the field of economics (especially finance).

### **Literacy Theory**

Kemendikbud (2016) states that literacy is the ability to access, understand, and use something intelligently through various activities, including reading, seeing, listening, writing and speaking. Literacy activities are carried out to foster students' interest and reading culture. The Directorate General of Primary and Secondary Education (2016) states that literacy activities are carried out to improve reading skills so that knowledge can be better mastered. Another definition of financial literacy can be interpreted as the ability to effectively evaluate and manage one's finances in order to make frugal decisions to achieve life goals and achieve financial prosperity (American Institute of Public Accountants, 2003). Garman and

Forgue (2000) in Sabri (2011) define financial literacy by the act of knowing the facts and understandings needed to manage personal finances so that they manage their finances well. The definition of financial literacy put forward by Remund (2010), includes: (1) knowledge of financial concepts, (2) ability to communicate financial concepts, (3) talent in managing individual finances, (4) expertise in making appropriate financial decisions, and (5) ) confidence in planning effectively for future financial needs.

Financial literacy is an important factor in financial planning and decisions (Elizabeth, 2014). According to Kim (2001) in Sabri (2011), financial literacy is basic knowledge that people need to survive in modern society. Financial literacy is also the ability to use knowledge and skills to manage financial resources effectively for a lifetime for financial welfare (US Financial Literacy and Education Commission, 2007). Lusardi & Mitchell (2007) explained financial literacy is the knowledge one has about financial instruments, including: one's knowledge of savings, insurance or insurance, investment and other financial tools. Financial literacy can be interpreted as financial knowledge, with the aim of achieving prosperity.

The definition of sharia financial literacy is defined as the ability to read, interpret and analyze, manage money, communicate about personal financial conditions that affect material well-being, calculate, develop independent judgments, and take action resulting from processes to develop in a complex financial world (Vitt.et.al) 2000). This includes the ability to distinguish financial choices, discuss money and financial problems without (or despite) inconvenience, plan for the future, and respond competently to life events that affect daily financial decisions, including events in the economy in general.

From the various meanings above, it can be concluded that financial literacy is one's ability to know finances in general, where such knowledge includes savings, investment, debt, insurance and other financial instruments. All types of investments are profitable. Pranyoto and Siegar (2015) state that financial literacy has a significant effect on investment intention.

### **Intention Theory**

Intention is the tendency of likes or dislikes followed by participation in certain activities which become the object of their liking (Martensi, 1988). Spaseska, et.al. (2016) stated that the reason for not being intention in investing in the capital market is that they are more interested in saving in banks, low incomes and high risk. Mahmud (1982), intention is the driving force that forces a person to pay attention to certain people, situations, or activities and not to others, or interests as a result of effective experiences stimulated by the presence of a person or an object, or because of participating in an activity. Low student investment intention can be caused by lack of knowledge about investing in the capital market, while in this era knowledge of investment is very important in order to avoid the risk of losses arising from ignorance and to maintain good financial conditions in the future. Someone who has financial knowledge along with a sense of confidence in his ability to manage finances can understand what he will face, such as gaining profits or facing the risk of loss.

Kusmawati (2011) revealed that investment intention is the desire to find out about the type of an investment, willing to take the time to learn more about investment by attending training and seminars on investment and trying to invest. Pajar (2017) states that investment intention is a strong desire or desire for someone to learn everything related to investment to the stage of practicing it. Riyadi (2017) stated that student investment interest is not significantly influenced by education, while according to Tandio and Widanaputra (2016), investment intention is actually influenced by education.

### **Materials and Method**

This study uses quantitative analysis with multiple regression tests where there are three stages of analysis that must be carried out, namely: a partial significance test, a model feasibility test, and an analysis of the coefficient of determination. The population is active students who are taking Financial Management courses in Department of Management Faculty of Economics, Semarang University in the academic year 2016/2017, as many as 97. Sampling in this study uses the Census method. The questionnaire was arranged in 1 - 5.

## Result and Discussion

Based on the results of the validity and reliability test, multicollinearity, heterocedasticity and normality, financial learning variables and financial literacy as well as investment intention in the capital market at student of Semarang University, all of the variables were declared reliable, valid, normal, avoiding multicol. Based on the results of descriptive statistical analysis for sharia financial learning variables obtained an average score of 3.31, meaning that the level of sharia financial learning is in the good category. Descriptive statistical analysis results for sharia financial literacy variables obtained an average score of 3,92 means that the level of sharia financial literacy is in the good category. The results of descriptive statistical analysis for investment interest variables obtained an average score of 3.86, meaning that the investment intention in the capital market at student of Semarang University is in the good category.

Table 1. Coefficients<sup>a</sup>

Model	Beta	t	Sig.
1 (Constant)		2,659	,001
Sharia Financial Learning	2,109	27,944	,0030
Sharia Financial Literation	,486	3,263	,001

The results of the regression analysis of the multiple regression equation for the effect of Sharia financial learning (X1) and Sharia financial literacy (X2) on investment intention in the capital market at student of Semarang University are:  $Y = 2,109X_1 + 0,486X_2 + e$

By using multiple regression equations, it can be described:

- X1 = 2,109 having a positive sign indicates the magnitude of the effect of sharia financial learning on investment intention in the capital market at student of Semarang University means that if sharia financial learning is increased, the investment intention in the capital market at student University Semarang will also increase.
- X2 = 0,486 having a positive sign indicates the magnitude of the effect of sharia financial literacy on investment intention in the capital market at student of Semarang University means that if sharia financial literacy is increased, investment intention in the capital market at student Semarang University will also increase.

Table 2. Coefficient of Determination Model Summary

Model	Adjusted R Square	Std. Error of the Estimate
1	,764	3,148010

a. Predictors: (Constant), Sharia Financial Learning, Sharia Financial Literation

Table 2 shows the results of a multiple correlation value of 0.764, meaning that sharia financial learning and sharia financial literacy have a very strong degree of strength of relationship to investment intention in the capital market at student of Semarang University. The simultaneous coefficient of determination was 0.764, indicating that the independent variables studied were sharia financial learning and sharia financial literacy of students being able to explain the variations that occurred in investment intention in the capital market at student of Semarang University by 76.4%, while the remaining 23, 6% is explained by other variables not examined in this study.

Table 3. Hypothesis Test (F Test) ANOVA<sup>a</sup>

Model	Df	F	Sig.
1 Regression	2	127,101	,000 <sup>b</sup>
Residual	95		
Total	97		

a. Dependent Variable: Investment intentions; b. Predictors: (Constant), Sharia Financial Learning, Sharia Financial Literation

Based on table 3, a significance value of 0,000 was obtained, which means that simultaneous sharia financial learning and sharia financial literacy significantly influence investment intention in the capital market at student of Semarang University. Based on Table 1, a significance value of 0,000 was obtained, meaning that sharia financial learning and sharia financial literacy partially had a significant effect on investment intention in the capital market at student of Semarang University.

Based on the results of hypothesis testing, sharia financial learning and sharia financial literacy have a significant effect on investment intention in the capital market by 76.4%. These findings indicate that in addition to sharia financial learning students must also have high sharia financial literacy to push themselves to be confident and able to succeed in investing. Sharia financial learning has a dominant effect compared to sharia financial literacy. Students who want to invest in the capital market must have good sharia financial literacy in order to maximize opportunities and minimize risk. Student sharia financial literacy is obtained through lectures, seminars, or looking for information that can add knowledge to invest. The results of this study are in line with previous studies conducted by Al-Tamimi (2009), Manurung (2009), and Bhaskara (2017). Financial literacy has a significant positive effect on investment intention in the capital market. Sharia financial literacy has a lower influence than sharia financial learning because a person's sharia financial literacy will increase if the required knowledge is sufficient. This shows that an individual's beliefs are driven by adequate knowledge so that they will feel confident about their abilities. These results support the statement of Danes & Haberman (2008); Sina (2014), and Bhaskara (2017). Trian Rusliati, Elen (2019). Financial literacy has a significant effect on investment intention.

## Conclusions

Sharia financial learning has a positive and significant effect on the investment intention at student of Semarang University. Sharia financial literacy has a positive and significant effect on investment intention at student of Semarang University.

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