Research article

Demographic Factors, Self-efficacy on Financial Literacy in Upland Horticultural Crop Farmers

Ebah Suaebah* and Fithri Suciati

Sekolah Tinggi Ilmu Ekonomi PGRI Sukabumi, Indonesia

Abstract.
Financial literacy is the knowledge and ability of financial management that allows individuals to manage their finances more effectively. For managing finances, farmers in Indonesia still rely on informal financial institutions. There are several reasons for this – the farmers' location being substantially far from the locations of financial institutions, their age and varied educational levels, and the level of confidence in achieving success in agriculture. This study, thus, identifies and analyzes the demographic factors and self-efficacy in financial literacy in upland horticultural crop farmers. The study population was upland horticultural plant farmers, the sampling technique was probability sampling, and the analysis was done using the two-way ANOVA technique. The results show a significant difference in the financial literacy between women and men. Although no difference was seen in the farmers' financial literacy based on their age, a significant difference was noted based on their education. Additionally, a substantial difference was seen in the understanding based on self-efficacy.

Keywords: demographic factors, self-efficacy, financial literacy

Corresponding Author: Ebah Suaebah; email: EMAII

OPEN ACCESS

1. Introduction

As an agricultural country with an area of 10.66 million hectares of agricultural land spread across the archipelago, Indonesia is a gift that can be managed to increase prosperity. With this situation, it is very natural that most of the Indonesian population works as farmers. The agricultural sector is also a supplier to Indonesia's GDP. GDP revenue from this sector is mainly from horticultural crop farming because horticultural crops are plants that are needed every day both for health and for daily needs; horticulture itself is a plant of vegetables, fruits, ornamental plants, and also medicinal plants, which are widely cultivated by the community both to meet needs and for sale.

A farmer is someone who fulfills his life needs by carrying out agricultural land processing activities. In contrast, a horticultural plant farmer carries out land processing activities by planting horticultural crops to meet his needs.

Horticultural crop prices very often experience significant changes. Therefore we often hear the news that horticultural farmers get double profits due to high price increases. Still, at other times farmers experience huge losses, so they share a slump and cannot cultivate their agricultural land. This is caused by various factors that influence it, one of which is the lack of knowledge and skills in financial management because so far there are still many farmers who rely on non-formal financial institutions such as middlemen, this certainly worsens the situation of farmers when they suffer losses, plus the attitude factor, trust, as well as access to financial institutions. Therefore, farmers must know financial management and financial access information, so it is necessary to understand financial literacy to improve their welfare.

In addition, farmers must also have competencies related to good agricultural management. In financial management, farmers need knowledge and a wise attitude in making financial decisions and have a high level of confidence (self-efficacy) to meet their household needs and avoid financial problems in the future. Knowledge in financial management is often referred to as financial literacy. Data from a survey conducted by OJK conducted in 2019 stated that financial literacy in Indonesia is still low, with a financial literacy index of 38.03 percent. Various factors influence the low level of financial literacy; the results of research conducted by Chan and Police [1] states that the level of financial literacy of men is greater than that of women, the level of education, age, and environment, as well as a person's level of self-confidence because having high self-confidence, will encourage one's efforts to achieve success. Likewise, upland horticultural crop farmers whose demographic notes are far from access to financial institutions will affect their financial literacy level.

Sukabumi is one of the centers of horticultural crop farming for both the highlands and lowlands, which is located far from financial access, coupled with an inadequate level of education and many farmers who are old, with low self-confidence for success, this is why will have an impact on the level of financial literacy.

Based on the above, a research problem can be formulated; namely, the extent to which demographic factors, in this case, gender, age, and education, as well as self-confidence to be successful (Self Efficacy), have significant differences in understanding financial literacy in plant farmers—upland horticulture in Sukabumi.

2. Literature Review

Financial literacy is a person's knowledge, skills, and abilities in planning, implementing, supervising, and attitudes in financial management and decision making to avoid financial problems in the future [2-4].

Financial literacy, according to OJK, is a set of knowledge, skills, and beliefs or public trust in financial institutions that are linked to the products or services offered by the institution [5], while Remund (2010) states that financial literacy is a measurement of an individual's understanding of the basic concepts of finance. , financial management and confidence in making appropriate short-term and long-term decisions regarding finances [6].

Financial literacy has indicators of basic knowledge about finance, economic behavior, and attitudes in financial management [7].

2.1. Demographic Factors

Demography is a branch of science that studies the dynamics of society that shows a person's position or population structure from the background, age, education, gender, marriage structure, income, and changes [5,8].

Gender, age, and education are indicators of demographic factors in this study that affect financial literacy. Like the theory above, financial literacy is an attitude and behavior that is strongly influenced by the individual's circumstances. Individual perspectives also include beliefs. a person's ability to be successful and deal with financial problems as well as possible; this is often referred to as self-efficacy [9,10].

2.2. Self Efficacy

Self-efficacy is a person's level of belief in the ability to succeed in life; self-efficacy has several indicators, namely, past experiences, experiences of others, self and social persuasion, and emotional states that become feedback on financial behavior, which in this case is an indicator of financial literacy [11] which self-efficacy can be classified as high self-efficacy to achieve success or deal with and solve problems appropriately. Secondly, low self-efficacy where the confidence to achieve success and face problems is low, self-efficacy is an attitude of a person, so it will affect their behavior in life.

3. Hypothesis

1. There are gender differences in understanding financial literacy

2. There is an age difference in understanding financial literacy

3. There is a difference in education in understanding financial literacy

4. There are differences in self-efficacy in understanding financial literacy

4. Methodology

The population in this study were upland horticultural crop farmers in the Sukabumi Region, both cities and districts; because the population was unknown, the sample was taken using the Cochran formula:

$$n = \frac{z^2 pq}{e^2} = \frac{(1,96)^2(0,5)(0,5)}{(0,05)^2} = 385 \text{ petani.}$$

This research data uses primary data by distributing questionnaires to respondents, namely farmers in the Sukabumi area. The demographic variables in this questionnaire use categories, for gender (1 = Female and 2 = Male), forage it is categorized as 1 = millennial group, (with an age range of 20 – 39) 2 = Gen X, with a range of (40-54 years), and Baby Boomers with an age range (55 – 74 years), while the level of education is categorized as follows (for the Self-efficacy variable, two categories high (1) and low (2) and the financial literacy variable using 11 questions.

The sampling technique uses a probability sampling technique with accidental sampling type. The research data, before being analyzed, of course, must go through an assumption test/prerequisite test. The prerequisite tests used are the homogeneity and normality tests, then for the data analysis test using the two-way ANOVA technique.

5. Research Findings

The following are the results of the research based on gender, consisting of 243 men and 142 women, while based on age 89 people belonged to the millennial category, 226 people belonged to the Gen X generation, and 70 people belonged to the baby boomer category and based on education 65 people with elementary school education, 127 junior high school education, 143 high school equivalents and 50 people with

undergraduate education, while for Self-efficacy level 186 people have low self-efficacy and 199 people have high self-efficacy level.

TABLE 1: Between-Subjects Factors.

		Value Label	N
Gender	1.00	Man	243
	2.00	Woman	142
Age	1.00	20 – 39 years old (Millenials)	89
	2.00	40 – 54 years old (Gen X)	226
	3.00	55 – 74 years old (Baby Boomer)	70
Education	1.00	Primary school	65
	2.00	junior high school	127
	3.00	High School Degree	143
	4.00	Diploma and bachelor	50
Self Eficacy	1.00	Low	186
	2.00	Tall	199

5.1. Prerequisite Test Results

TABLE 2: Data Normality Test.

	Kolmogorov-Smirnov[a]		
	Statistic	df	Sig.
Standardized Residual for Financial Literacy	.041	385	.127

The results of the data normality test showed the effects of 0.127 at a significance level of 0.05 (P > 0.05)

5.2. Homogeneity Test

Based on the results of the homogeneity test, Here is no homogeneity because it has a sig value of 0.635 where P> 0.05.

Table 3: Homogeneity test result.

Levene's Test of Equality of Error Variances[.b]					
		Levene Statistic	df1	df2	Sig.
Literasi Keuangan	Based on Mean	.867	21	356	.635
	Based on Median	.750	21	356	.780
	Based on Median and with adjusted df	.750	21	314.743	.780
	Based on trimmed mean	.869	21	356	.632

Table 4: Hypothesis testing result.

Tests of Between-Subjects Effects					
Dependent Variable: Literasi Keuangan					
Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	1454.347[a]	28	51.941	1.443	.071
Intercept	80205.032	1	80205.032	2227.501	.000
Gender	190.380	1	190.380	5.287	.022
Age	.146	2	.073	.002	.998
Education	419.681	3	139.894	3.885	.009
Self_Eficacy	344.405	1	344.405	9.565	.002

5.3. Hypothesis testing

1. There is a significant difference between gender factors in understanding financial literacy where the sig value is 0.022 <0.05

2. There is no significant difference between the age factor in understanding financial literacy where the sig value is 0.998 > 0.05

3. There is a significant difference between the education factor in understanding financial literacy where the sig value is 0.009 <0.05

4. There is a significant difference between Self Efficacy in understanding financial literacy where the sig value is 0.002 <0.05

This research supports the results of research conducted by Anas Iswanto Anwar, where the results of his research state that the factor of age and level of education has a significant effect on financial literacy, and this is also in line with the results of research conducted by Santi which states that there are differences in financial literacy between women and men. where women have a higher literacy level compared to men, the level of education has a positive and significant influence on financial literacy. In contrast,

self-efficacy does not have a substantial effect on financial literacy. In this research, there are differences from previous studies because this study expects differences in the research variables [3,6].

Authors' Contributions

The chairperson acts as the originator of ideas and participates in identifying and formulating research problems, developing a framework of thought and research, collecting literature, and compiling research plans and research reporting

Proposing members strengthen ideas, formulate research problems, collect data, collect literature, and jointly process and process data to compile a research report.

Acknowledgments

References

[1] D. Latifiana, "Studi Literasi Keuangan Pengelola USAha Kecil Menengah (UKM).," In: Seminar Nasional Pendidikan Ekonomi dan Bisnis 2017. pp. 1–7. , Indonesia (2017).

[2] I.W. Wafula, "The Effect of Financial Literacy on Financial Inclusion Among Small-scale Farmers in Trans Nzoia County," http://erepository.uonbi.ac.ke/handle/11295/102981, (2017).

[3] A.A.I. Alitawan and I.K. Sutrisna, "Faktor-Faktor yang Mempengaruhi Pendapatan Petani Jeruk pada Desa Gunung Bau Kecamatan Kintamani Kabupaten Bangli.," E-Jurnal Ekonomi Pembangunan Universitas Udayana. vol. 6, no. 5, pp. 796–826, 2017.

[4] N.D. Philippas and C. Avdoulas, "Financial literacy and financial well-being among generation-Z university students: Evidence from Greece.," The European Journal of Finance. vol. 26, no. 4–5, pp. 360–381, 2020.

[5] W.W. Putri, M. Hamidi, D.M. Manajemen, F. Ekonomi, and U. Andalas, "PENGARUH LITERASI KEUANGAN, EFIKASI KEUANGAN, DAN FAKTOR DEMOGRAFI TERHADAP

PENGAMBILAN KEPUTUSAN INVESTASI (STUDI KASUS PADA MAHASISWA MAG-ISTER MANAJEMEN FAKULTAS EKONOMI UNIVERSITAS ANDALAS PADANG).," Jurnal Ilmiah Mahasiswa Ekonomi Manajemen. vol. 4, no. 1, pp. 210–224, 2019.

[6] A.I. Anwar, R. Putri, and S. Sabir, "Analisis Faktor-Faktor Yang Mempengaruhi Literasi Keuangan Pada Petani Tanaman Pangan dan Holtikultura di Kabupaten Maros Sulawesi Selatan.," e-Journal Ekonomi Bisnis dan Akuntansi. vol. 7, no. 2, p. 125, 2020.

[7] A.A. Eniola and H. Entebang, "SME Managers and Financial Literacy.," Global Business Review. vol. 18, no. 3, pp. 559–576, 2017.

[8] M.I. Malelak, G. Memarisa, and N. Anastasia, "PENGARUH FAKTOR DEMOGRAFI TERHADAP PERILAKU PENGGUNAAN KARTU KREDIT.," Inovbiz: Jurnal Inovasi Bisnis. vol. 4, no. 2, p. 172, 2016.

[9] S.E. Nurhidayati and M.K. Anwar, "Pengaruh Faktor Demografi Terhadap Literasi Keuangan Syariah Karyawan Perbankan Syariah di Surabaya.," Jurnal Ekonomika dan Bisnis Islam. vol. 1, no. 1, pp. 1–11, 2018.

[10] R.R. Yusnita and M. Abdi, "Pengaruh Faktor Demografi terhadap Literasi Keuangan.," Journal of Economic, Bussines and Accounting (COSTING). vol. 2, no. 1, pp. 163–184, 2018.

[11] S. Izzah, "Perbedaan tingkat self-efficacy antara mahasiswa Fakultas Psikologi dan Sains dan Teknologi Universitas Islam Negeri Maulana Malik Ibrahim Malang," http://etheses.uin-malang.ac.id/2231/, (2012).