



The Effect of Financial Literacy and Entrepreneurial Motivation on Entrepreneurial Interests

Reni Putri Utami¹, Ajeng Wahyuni²

¹ Institut Agama Islam Negeri Ponorogo, Indonesia, reniu3893@gmail.com

² Institut Agama Islam Negeri Ponorogo, Indonesia, ajengwahyuni77@gmail.com

Abstrac: Financial literacy is an individual's ability and skill in managing personal and business finances, financial literacy is part of entrepreneurship education which is a factor of interest in entrepreneurship. In addition to financial literacy, motivation is also a factor of interest in entrepreneurship. The Faculty of Islamic Economics and Business IAINPonorogo is a faculty that has a focus on entrepreneurship development, where the vision and mission, courses and practical activities lead to the development of entrepreneurship. However, the interest in entrepreneurship with the knowledge that has been obtained during college has not been able to arouse interest in entrepreneurship in students. This study aims to examine and analyze the effect of financial literacy and entrepreneurial motivation on student interest in entrepreneurship. This type of research is quantitative research with correlational method, data collection using questionnaires and sampling using proportionate stratified technique with a sample of 96 respondents. Data processing techniques using SPSS 23, and data analysis using multiple linear regression test. The results showed that conventional financial literacy and entrepreneurship motivation had a significant effect on student interest in entrepreneurship, while Islamic financial literacy had no significant effect on entrepreneurial interest. And conventional financial literacy, Islamic financial literacy and entrepreneurship motivation simultaneously affect student interest in entrepreneurship.

Keywords: Financial Literacy, Entrepreneurial Motivation, Entrepreneurial Interest

INTRODUCTION

Indonesia is one of the countries included in the list of 5 countries with the highest population in the world. The high population in Indonesia is not matched by the number of job opportunities. Lack of job opportunities can lead to new problems, one of which is unemployment. Our country is starting to promote and disseminate knowledge about entrepreneurship more broadly. Starting from high school to tertiary institutions, they are targeted to provide motivation and knowledge about the importance of entrepreneurship. This is so that when they graduate and go straight into society, they are no longer awkward to face the world of business or jobs that are hard to find. According to Sarwoko's research,

entrepreneurship education needs to be given to instill innovative and creative values in responding to opportunities, creating opportunities as well as entrepreneurial skills and knowledge.

Financial literacy is an important part of entrepreneurship education to learn, bearing in mind that in an entrepreneurial activity knowledge of finance is also needed to support these business activities. Financial literacy according to the OJK is individual insight and expertise regarding financial knowledge that influences a person's behavior in making decisions so that they are able to manage finances in order to achieve prosperity. In Islam knowledge about finance is known as Islamic financial literacy, conceptually Islamic financial literacy is a person's ability to use financial knowledge, attitudes, and skills to manage financial resources according to Islamic teachings. In a theory put forward by Endah that entrepreneurship education is a factor that influences interest in entrepreneurship and financial literacy itself is part of entrepreneurship education.

Apart from financial literacy, entrepreneurial motivation is also an important factor for someone who wants to enter the business world. In accordance with the theory put forward by Mardia et al, that motivation is a factor that influences interest in entrepreneurship. Motivation comes from the word "motive", defined as the effort that encourages someone to do something. Motivation is also termed to explain what drives and what drives human activity, meaning anything that can drive someone to do something.

The Faculty of Islamic Economics and Business, IAIN Ponorogo is a faculty that has one of the objectives, namely the implementation of education and learning in the field of Islamic economics and business that excels in the field of entrepreneurship, partner business management, zakat and waqf. Vision and mission, courses and practical activities lead to the development of entrepreneurship as a faculty that has basic graduates who excel in the field of entrepreneurship. The FEBI Faculty has several departments in which there are courses on entrepreneurship and financial literacy so that FEBI students' knowledge and understanding of financial literacy and entrepreneurship will be higher compared to other faculties of the IAIN Ponorogo tertiary institution. So that it can increase the interest in entrepreneurship in students. However, this did not happen to FEBI IAIN Ponorogo students.

Interest in entrepreneurship with the provision of knowledge gained from lecture activities is still not enough for students. This is evidenced by the results of interviews with three FEBI students from the Department of Islamic Economics and Islamic Banking, where the results of the interviews showed that two of them claimed to know and understand financial literacy, namely being able to organize, manage and plan finances, being able to set aside finances for savings. for future needs and knowing what a good financial institution looks like. One of them knows good financial planning, but has not been able to implement it in managing his own finances.

Based on a review of previous research conducted by Okta Viana Sari, her research showed that there was an effect of financial literacy and the family environment on the interest in entrepreneurship for STKIP YPM Bangko students in 2018/2019, both significantly

and simultaneously. Then the research conducted by Josia Sanchaya et al., showed the results that the independent attitude and motivation variables did not affect the interest in entrepreneurship of students concentrating on entrepreneurship, while the entrepreneurial knowledge variable had an effect on the interest in entrepreneurship. As well as the results of research conducted by Ahmad Hamim showing that motivation and entrepreneurship education have a significant and simultaneous effect on FEBI students' interest in entrepreneurship.

Based on the background above, the researcher is interested in conducting research on the Effects of Financial Literacy and Entrepreneurial Motivation on Interest in Entrepreneurship in Students of the Faculty of Islamic Economics and Business, IAIN Ponorogo. With the aim of testing and analyzing whether the variables of financial literacy and entrepreneurial motivation can influence FEBI students' entrepreneurial interest or vice versa with good knowledge and motivation obtained during college it actually reduces interest in entrepreneurship and to find out if it influences how much influence this has on FEBI IAIN students Ponorogo.

METHOD

This type of research is quantitative research, in a quantitative approach the relationship between variables is analyzed using an objective theory. In this study, a correlational research design was used, namely one of the statistical data analysis techniques used to find the relationship between two or more variables that are quantitative in nature. The source of data in this study is primary data where researchers conduct direct surveys by obtaining information through inquiries of respondents using questionnaires as the main data collection tool. This research was conducted at campus 2 of IAIN Ponorogo which is located on Jl. Puspita Jaya, Krajan, Pintu, Jangan District, Ponorogo Regency. The population in this study were all students of the Islamic Faculty of Economics and Business, IAIN Ponorogo, class of 2018/2021. The sample was drawn using a proportionate stratified technique, which is a sampling technique where the population size is known and heterogeneous or stratified, with a sample of 96 respondents. The data analysis technique uses multiple linear regression tests with data processing using SPSS 23.

RESULT AND DISCUSSION

Validity and Reliability Test Results

Validity testing is used to measure whether or not the questionnaire is valid, in this study the validity test is carried out by correlating each item score with the total score of the instrument using a two-sided test with a significance level of 0.05 with the testing criteria if r_{count} is greater than r_{table} then the instrument is said to be valid but if the value of r_{count} is smaller than r_{table} then the research instrument is invalid. From the results of testing the three variables 3 X (conventional financial literacy, Islamic financial literacy, and entrepreneurial motivation) shows the value of $r_{count} > r_{table}$. So that it can be said if all

question items from each research variable are declared valid. Reliability testing is carried out on statement items that have been declared valid, have gone through a validity test. A variable is said to be reliable if it has Cronbach alpha > 0.060 . The results of the reliability test showed that all statement items in this study were declared reliable because each variable had a Cronbach alpha value > 0.060 .

Results of Testing the Classical Assumptions of Normality Test

The normality test serves to test whether the residuals obtained in the study are normally distributed or not. With the criterion of a significance value > 0.05 then it is normally distributed and vice versa if the significance value is < 0.05 then it is not normally distributed. Based on the results of the research questionnaire calculation using SPSS it can be seen that the significance value with the One-Sample Kolmogorov-Smirnova Test shows a value of $0.200 > 0.05$ so it can be concluded that the residuals are normally distributed.

Autocorrelation Test

Autocorrelation test in a model aims to determine whether there is a correlation between the confounding variables in a certain period with the previous variables. According to Santoso, the decision whether there is autocorrelation or not can be seen from the following provisions:

1. If the D-W value is below -2 , it means there is a positive autocorrelation.
2. If the D-W value lies between -2 to $+2$, it means there is no autocorrelation.
3. If the D-W value is above $+2$, it means there is a negative autocorrelation. It is known that the Durbin-Watson test (DW) value obtained is 1.425 and

DW is between -2 and 2 , so it can be said that there is no autocorrelation in the data.

Multicollinearity Test

The multicollinearity test is used to prove that the independent variables are limited from multicollinearity symptoms. In this study through the method by looking at the value of tolerance and inflation factor (VIF) in the regression model. That is, if the VIF value is less than 10 and the tolerance value is more than 0.01 , then multicollinearity is not observed. From the test results for X1 (Conventional Financial Literacy) with a VIF value of 1.485 X2 (Sharia Financial Literacy) with a VIF value of 1.563 and X3 (Entrepreneurial Motivation) with a VIF value of 1.135 . The three variables show that the VIF value is less than 10 , so it can be concluded that multicollinearity does not occur in the independent variables.

Heteroscedasticity Test

The heteroscedasticity test is used to determine whether there is a relationship between the independent variables and the absolute values of the residuals X1, X2 and X3. From the test results, the sig values for all independent variables are more than 0.05 (alpha 5%), which means that there is no effect of the independent variables on the absolute residual values of X1, X2 and X3.

Linearity Test

The test results show that the sig (deviation from linearity) value for X1 is 0.064 > 0.05, X2 is 0.546 > 0.05 and X3 is 0.072 > 0.05. So it can be said that the regression model of conventional financial literacy, Islamic financial literacy and entrepreneurial motivation on entrepreneurial interest is a linear regression model.

Multiple Linear Regression Test Results

Multiple linear regression analysis was carried out to find out how X1, X2 and X3 influence Y.

Table 1. Estimation of the Coefficient of Determination

Unstandardized Coefficients		Sig
Constant	-1,337	
Conventional Financial Literacy	.303	0,032
Islamic Financial Literacy	.238	0,129
Entrepreneurial Motivation	.233	0,011

In Table 1, the regression value equation can be made as follows: $Y = -1.337 + 0.303 X1 + 0.238 X2 + 0.233 X3 + \epsilon$

So it can be explained as follows:

1. Constant (b0)

The constant value (b0) of -1.337 indicates that if the independent variables X1, X2 and X3 are zero or absent, the interest in entrepreneurship will decrease or show a negative value of -1.337. This means that if students do not have knowledge of conventional financial literacy, Islamic financial literacy and entrepreneurial motivation, the interest in entrepreneurship in students will decrease by -1.337.

2. Constants for Conventional Financial Literacy variables (X1)

The regression coefficient value (b1) is 0.303 meaning that if conventional financial literacy is increased by 1 unit, the interest in entrepreneurship increases by 0.303 units assuming the other independent variables are fixed.

3. Constants for the Islamic Financial Literacy variable (X2)

The regression coefficient value (b2) is 0.238, meaning that if Islamic financial literacy is increased by 1 unit, the interest in entrepreneurship increases by 0.238 units assuming the

other independent variables are fixed.

4. Constants for the variable Interest in Entrepreneurship (X3)

The regression coefficient value (b_3) is 0.233, meaning that if the motivation for entrepreneurship is increased by 1 unit, the interest in entrepreneurship increases by 0.233 units assuming the other independent variables are fixed.

Hasil Pengujian Hipotesis Hasil Uji T

Uji t digunakan untuk menunjukkan seberapa jauh pengaruh suatu variabel penjelas terhadap variabel *Independent* secara individual dalam menerangkan variasi variabel *dependent*. Jika nilai $t_{hitung} > t_{tabel}$ atau nilai $sig < \alpha$ maka H_0 ditolak yang bermakna variabel independen memiliki pengaruh secara signifikan terhadap Y.

Table 2: T test results

Unstandardized Coefficients		A
Constant	-1,337	
Conventional Financial Literacy	.303	0,032
Islamic Financial Literacy	.238	0,129
Entrepreneurial Motivation	.233	0,011

The Effect of Financial Literacy Partially on Entrepreneurial Motivation

The results of the conventional financial literacy variable test on Y produce a significant t-test value of 0.032 less than 0.05 ($\alpha = 5\%$), based on the data testing criteria h_{a1} is accepted and h_{01} is rejected. This means that conventional financial literacy has a significant effect on the interest in entrepreneurship.

The effect of Islamic Financial Literacy significantly on Interest in Entrepreneurship.

The results of testing X2 on Y produce a significant value of the t test of 0.129 greater than 0.05 ($\alpha = 5\%$) so it can be concluded that there is no partial effect between X2, namely Islamic financial literacy on interest in entrepreneurship (Y) significantly, accept h_{02} and reject h_{a2} .

The influence of Entrepreneurial Motivation significantly on Entrepreneurial Interest.

The results of testing X3 on Y produce a significant value of the t test of 0.11 less than 0.05 ($\alpha = 5\%$) so it can be concluded that there is a significant influence between X3, namely entrepreneurial motivation on (Y) interest in entrepreneurship significantly, so accept h_{a3} and reject h_{03} .

F test

The hypothesis based on the f test is used to determine whether several independent variables simultaneously or jointly affect one dependent variable based on the value of

$F_{hitung} > F_{tabel}$ or sig value < 0.05 (5%). From table 3 it can be seen that the value of F_{hitung} is 10.524 while the value of $F_{tabel} = F(0.05 ; 3 ; 93) = 2.70$ so it is known that $F_{hitung} > F_{tabel} = 10.524 > 2.70$. Then the significance value is $0.00 < 0.05$, so it can be concluded that together the variables of conventional financial literacy (X_1), Islamic financial literacy (X_2) and entrepreneurial motivation have a significant effect (X_3) on interest in entrepreneurship (Y). So that the hypothesis H_{a4} : Conventional Financial Literacy, Islamic Financial Literacy and Entrepreneurial Motivation jointly significantly influence the interest in entrepreneurship, is accepted and H_{04} : Conventional Financial Literacy, Islamic Financial Literacy and Entrepreneurial Motivation together do not significantly influence the interest in entrepreneurship rejected.

Table 3: F Test Results

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	228.572	3	76.191	10.524	.000 ^b
	Residual	666.053	92	7.240		
	Total	894.625	95			

a. Dependent Variable: ENTREPRENEURSHIP INTEREST (Y)

b. Predictors: (Constant), Entrepreneurial Motivation (X_3), Conventional Financial Literacy (X_1), Islamic Financial Literacy (X_2)

Determination Coefficient Test

To determine the magnitude of the influence of X_1 , X_2 and X_3 on Y , it can be determined by calculating the value of R square (coefficient of determination).

Table 4: Determination Coefficient Test Results

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.505 ^a	.255	.231	2.691

a.

Predictors: (Constant), Entrepreneurial Motivation, Conventional Financial Literacy, Islamic Financial Literacy

The R value or correlation as seen from table 6 is 0.505, meaning that it has a moderate and unidirectional relationship between conventional financial literacy, Islamic financial literacy and entrepreneurial motivation towards entrepreneurial interest. multiple linear, namely 0.505, while the magnitude of the coefficient of determination is indicated by R^2 , which is 0.255, meaning that the contribution of all independent variables, namely conventional financial literacy, Islamic financial literacy and entrepreneurial motivation, is able to explain the dependent variable, namely interest in entrepreneurship by 25.5%, while the remaining 74.5% is influenced by another factor.

CONCLUSION

The conclusions in this study show that:

1. Conventional financial literacy has a significant effect on the interest in entrepreneurship in students of the Islamic Faculty of Economics and Business at IAIN Ponorogo.
2. Islamic financial literacy has no significant effect on the interest in entrepreneurship in students of the Islamic Faculty of Economics and Business at IAIN Ponorogo.
3. Entrepreneurial motivation has a significant effect on the interest in entrepreneurship in students of the Islamic Faculty of Economics and Business at IAIN Ponorogo.
4. Conventional financial literacy, Islamic financial literacy and Entrepreneurial Motivation influence simultaneously (simultaneously) on interest in entrepreneurship in Students of the Islamic Faculty of Economics and Business, IAIN Ponorogo.

REFERENCE

- Aidha, Zuhrina. (2017). Pengaruh Motivasi Terhadap Minat Berwirausaha Mahasiswa Fakultas Kesehatan Masyarakat Universitas Islam Negeri Sumatera Utara. *Jurnal Jumatik*, 1(1), 2.
- Hendrawan, Josia Sanchaya dan Sirine Hani. (2017). Pengaruh Sikap Mandiri, Motivasi Pengetahuan Kewirausahaan Terhadap Minat Berwirausaha (Studi Kasus Pada Mahasiswa FEB UKSW Konsentrasi Kewirausahaan). *Asian Journal of Innovation and Entrepreneurship (AJIE)*, 2(3), 291.
- Laily, Nujmatul. (2013). Pengaruh Literasi Keuangan Terhadap Perilaku Mahasiswa Dalam Mengelola Keuangan. *Journal of Accounting and Business Education*, 1(1), 2-3.
- Sari, Okta Viana (2021). Pengaruh Literasi Keuangan dan Lingkungan Keluarga Terhadap Minat Berwirausaha Mahasiswa STIKP YPM Bangko Tahun 2018/2019. *Jurnal Ekopendia Jurnal Ekonomi dan Pendidikan*, 6(1), 85.
- Hamim, Ahmad. (2020). Pengaruh Motivasi dan Pengetahuan Terhadap Minat Berwirausaha pada Mahasiswa Fakultas Ekonomi dan Bisnis Islam IAIN Ponorogo Angkatan Tahun 2016. *Skripsi*, Ponorogo: Institut Agama Islam Negeri Ponorogo.
- Buchari, Alma. *Kewirausahaan*. (2009). Bandung: Alfabeta.
- Hamalik, Oemar. (2003). *Kurikulum dan Pembelajaran*. Jakarta: Bumi Aksara. Kasmir. *Kewirausahaan Edisi Revisi*. (2017). Jakarta: PT Raja Grafindo Persada.
- Listyaningsih, Erna dan Alansori, Apip. (2020). *Kontribusi UMKM Terhadap Kesejahteraan Masyarakat*. Yogyakarta: Penerbit ANDI.
- Mardia, dkk. (2021). *Kewirausahaan*. Medan: Yayasan Kita Menulis.
- Mukhlisin, Murniati dkk. (2019). *Strategi Nasional Pengembangan Materi Edukasi untuk Peningkatan Literasi Ekonomi dan Keuangan Syariah di Indonesia*. Jakarta: Direktorat

Pendidikan dan Riset Keuangan Syariah.

Nurmahmudah, Endah. (2017). *Covid Bukan Penghalang Jadi Entrepreneur* Tasikmalaya: Edu Publisher.

S. W Winkel, Psikologi Pengajaran. (1983). Jakarta: PT. Gramedia Widia SaranaIndonesia.

Slameto. (2020). *Belajar dan Faktor-faktor yang Mempengaruhi*. Jakarta: PT RajaGrafindo Persada.

Uman, Cholil dan Afkar, Taudlikhul. (2011). *Modul Kewirausahaan untukMahasiswa dan Umum*. Surabaya: IAIN Sunan Ampel Press.

Uno, Hamzah. *Teori Motivasi dan Pengukurannya*. (2008). Jakarta: Bumi Aksara.

Otoritas Jasa Keuangan. (2021). *Literasi Keuangan*. <https://www.ojk.go.id>.

Otoritas Jasa Keuangan, (2016). *Peraturan Otoritas Jasa Keuangan Tahun 2016 tentang Peningkatan Literasi dan Inklusi Keuangan di Sektor JasaKeuangan Bagi Konsumen dan atau Masyarakat*.
<https://www.google.com/search/q=peraturan+otoritas+jasa+keuangan>.