

**FINANCIAL LITERACY ANALYSIS AND THE ROLE OF GENERATION Z IN
SUPPORTING CASHLESS SOCIETY**

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Abstract

This study aims to analyze financial literacy and the role of generation z in the use of cashless society in students of the Nusantara Sangatta School of Economics. Data collection techniques through observation, interviews and documentation so in the study interviewed were students at the Nusantara Sangatta School of Economics. The data analysis used in this study is descriptive qualitative. The results of the analysis of Generation Z at the Nusantara Sangatta School of Economics show a fairly varied level of financial literacy. Most students understand the importance of financial literacy and are able to manage personal finances well, while others still need to improve their understanding. And in terms of the use of non-cash payment transaction tools that are most dominated by students is QRIS compared to other non-cash payment transaction altars. This is because it is very fast, just by scanning the QR code, the purchase transaction is successful and QRIS is also widely accepted by various merchants, both small and large scale, which makes it easier for students to access.

Keywords: *Financial Literacy, Cashless Society, Generation Z*

INTRODUCTION

The young generation of the nation's successors has an important role to advance Indonesia to be better. To achieve this, this generation needs to be equipped with knowledge, experience, and good literacy skills. In this era, there is a phenomenon that shows that there are still many individuals who fail to manage their financial activities because the level of consumer behavior is still relatively high in Indonesia. Financial literacy plays a very important role in supporting the achievement of the expected financial success. According to Upadana and Herawati (2020), someone with good financial literacy and financial management is usually wiser in using and controlling finance owned by recording expenses, controlling spending and investing for the future.

Students at the Nusantara College of Economics Sangatta Sangatta are familiar with the latest technological developments, especially non-cash payment transaction tools (cashless) makes it very easy to make payment transactions, for example when buying goods from productse-commercesuch as tokopedia, bukalapak and shopee. The use of cashless itself is also very

dependent on the technology used. If there is a technical disruption or system failure, it can hinder an individual's ability to make transactions. An unstable system or downtime can make daily life difficult.

In general, students know more through social media and online platforms in disseminating information about developments in digital payment technology in particular.cashless. It is important to create an environment that supports learning and exploration of technology. It is important to remember that most of these issues can be addressed through continuous technological innovation and financial literacy, proper regulation and education or knowledge to students. Developing an inclusive and secure cashless payment system requires cooperation between governments, companies and communities to create a sustainable and equitable ecosystem.

Based on the description of the background of the problem above, the formulation of the problem in this study is How is Financial Literacy and the Role of Generation Z in the Use of Financial Literacy?Cashless Societyat the Students of the Nusantraa Sangatta College of Economics? Based on the formulation of the problem that has been described above, the purpose of the research that is to be known is "Analyzing Financial Literacy and the Role of Generation Z in the Use ofCashless at the Students of the Nusantara College of Economics, Sangatta”

THEORETICAL FRAMEWORK

Financial management is a process in individual or group financial activities related to efforts to obtain funds and minimize individual and group costs and also efforts to manage the finances of a business entity or organization to achieve predetermined financial goals. According to Musthafa (2017:3) in his book entitled financial management, financial management explains several decisions that must be made, namely investment decisions, funding decisions or decisions to meet funding needs and policy decisions.

The main objective of financial management is to maximize the value owned by individuals or groups and provide added value to the assets owned by the business.

Fahmi (2015:4) is of the opinion that there are 3 objectives of financial management, namely:

1. Maximizing company value.
2. Maintain financial stability in a state that is always under control
3. Minimize company risks in the present and future.

The development of the financial services industry is increasing and becoming more complex, thus changing the conditions of the financial market. Therefore, a person needs to understand the basic knowledge of finance related to the key to modern financial security. This knowledge is absolutely necessary for every individual to be able to utilize financial instruments and products optimally in order to make the right decisions for their welfare. Financial literacy can help a person to make better financial decisions and gain more benefits.

Financial literacy also makes individuals feel more capable of making investment decisions and adopting controlled spending behavior (Jariwala, 2013). Usually individuals who are highly financially literate have debt literacy (Lusardi and Tufano, 2010:15) know the risks of debt itself and borrow efficiently, understand the concept of calculating interest (van Rooij et al., 2009; Lusardi and Mitchell, 2011) and the time value of money (Atkinson and Messy, 2012); Agarwalla et al., 2013)

Main concept Cashless Society based on transactions through electronic payment instruments. However, Cashless Society does not mean that cash transactions do not exist at all, but the number of cash-based transactions is minimized to the lowest level (Yaqub et al., 2013). From the previous definition, a cashless society can be defined as a condition of society where the use of cash has been minimized, and society mostly uses non-cash payment instruments in conducting their transactions.

In Indonesia, cashless society is related to Less Cash Society (LSC), a term used by Bank Indonesia. Agus DW Martowardojo, Governor of Bank Indonesia, defines LSC as an environment where people are accustomed to using non-cash instruments, especially in economic transactions. In addition, one of the characteristics of a cashless society can be defined by the amount of banknotes and coins circulated by the central bank. Drawing conclusions from previous studies, cashless society refers to the initiative of the central bank to change cash instruments to non-cash in daily economic activities. In Indonesia itself, there are many non-cash payment transaction tools such as:

1. Gopay
2. OVO
3. Funds
4. Qris

As for the advantages and disadvantages of the non-cash system or cashless namely:

1. System advantages Cashless

a. Easy and safe

The cashless system allows people to transact without having to carry cash. Even to buy goods worth millions of rupiah, just bring a debit card or smartphone that already has an e-wallet.

b. Every transaction is recorded properly

Every transaction made using debit cards, credit cards and e-wallets is properly recorded in the database.

c. Lots of promotions

Transactions using non-cash payment instruments are actually very profitable for the public because many...merchant which offers discounts and cashback for loyal users.

d. Avoid counterfeiting and circulation of counterfeit money

Whether we admit it or not, the use of cash in transactions triggers currency counterfeiting.

e. Minimize the occurrence of criminal acts of robbery

There are many cases of robbery where the main aim is to steal cash, which is often accompanied by violence against the owner.

f. Indirectly, it also increases state income

Properly recorded transactions allow the government to know who is subject to tax.

2. System Deficiencies Cashless

a. Not everyone has enough knowledge

For some people, the cashless system is still considered complicated. For example, how to top up GoPay, if you don't have a savings account, it's quite difficult to do so. Utilizing the cashless system also requires more knowledge, especially in terms of using technology.

b. There are transaction fees

To get the convenience of the cashless system, there is a transaction fee that must be borne by the user. The amount itself is not too big. However, the existence of transaction fees is clearly one of the drawbacks that makes some people cancel their intention to use it.

c. Low self-control in transactions

The ease and practicality of cashless transactions actually have the potential to make people behave consumptively, especially if their level of self-control is low. This means that people are easily tempted to buy things that are not actually needed, so that spending becomes uncontrollable.

d. There are restrictions on nominal transactions

In a cashless economy, the nominal transaction will be limited even if the customer has more than enough money stored in the bank.

e. Not yet free from the threat of criminal cyber

A cashless system indeed suppresses conventional theft modes. However, new theft modes are also born because of it. The threat of cybercriminals spying on internet users banking who are less vigilant.

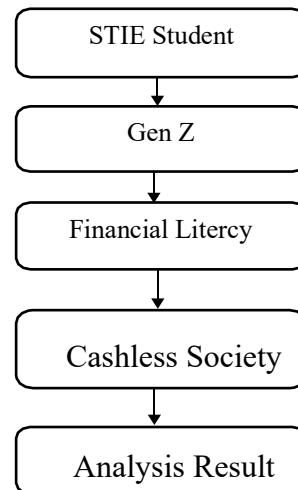
According to the Big Indonesian Dictionary (KBBI) generation is defined as people who live at the same time. According to Akhmad Sudrajat (2018:5) In the generation theory (Generation Theory) from the beginning of its existence known to the public until now there are five generations, namely:

1. Baby Boomer generation, born between 1946 and 1964.
2. Generation X, born between 1965 and 1980.
3. Generation Y, born between 1981 and 1994.
4. Generation Z, born between 1995 and 2010.
5. Generation Alpha, born between 2011 and 2025.

According to Elizabeth T. Santosa (2015:98) explains that the net generation is a generation born after 1995 or more precisely in 2000. This generation was born when the internet began to enter and develop rapidly in human life. This generation does not know the time when mobile phones were not yet produced, when the majority of everyday toys were still traditional.

Framework of Thought

Figure 1. Framework of Thought



Data source : Processed 2024

RESEARCH METHODS

Time and place of research

The research was conducted from April 2024 to May 2024 at the Nusantara College of Economics, Sangatta.

Research Focus

The focus of this research is intended to limit qualitative studies as well as limit research in order to select which data is relevant and which is not relevant (Moleong, 2010:54).

Data Analysis Tools

The data analysis process begins with grouping the data that has been obtained from field research, namely from the results of observations that have been written in the form of field notes, interview results, and documentation in the form of books, pictures, photos and so on to be classified and analyzed by examining all available data from various sources. According to Moleong (2010:248) Qualitative data analysis in this study consists of 3 models, namely: Taking notes that produce field notes, with these being coded so that the data source can still be traced.

Collecting, sorting, classifying, synthesizing, summarizing and making indexes. Thinking in a way that makes the data categories have meaning, looking for and finding patterns and relationships and making general finding.

RESULTS AND DISCUSSION

Overall, the discussion above is that QRIS is the most popular non-cash transaction tool among students at the Sangatta Nusantara Economics College. This shows that QRIS has become the main choice for users in making non-cash transactions compared to other transaction tools. The reason among Generation Z (Students) users feels fast and easy just by scanning the QR code. This makes it very easy for both users and merchants, QRIS has also been widely accepted by various merchant, both small and large scale, which makes it more accessible to students. QRIS can also be integrated with various banking and e-wallet, so users do not need to have many applications to make payments. QRIS also often provides promotional services to encourage the use of QRIS which contributes to increasing adoption by students.

Among Generation Z (Students) also use Gopay, but because in Sangatta the use of Gopay is still minimal because the Gojek Group has not entered the Sangatta area, therefore the use of Gopay is still popular among students of the Nusantara Sangatta College of Economics.

Financial literacy is a person's knowledge and understanding of financial concepts and risks, which in turn affects their ability to make effective financial decisions. Among college students, financial literacy plays an important role in determining how they manage their personal finances, including in making shopping decisions and using non-cash transaction tools.

Students who understand financial literacy tend to be wiser in making shopping decisions. They consider their needs before making a purchase and use non-cash transactions only when necessary. The use of non-cash transaction tools by students who understand financial literacy is more controlled. They use this technology for convenience and efficiency but still with careful consideration.

Students who do not understand financial literacy tend to shop based on desire or social pressure, such as following their friends' lifestyles. This can lead to uncontrolled spending and have a negative impact on their financial condition. Students in this category may use non-cash transaction tools impulsively, without careful consideration. This can make them more susceptible to overspending and financial problems.

Students should be taught to develop awareness and self-control in managing their finances. This includes understanding the differences in managing their finances. This includes understanding the difference between needs and wants and creating a realistic budget. Although non-cash transaction tools offer convenience, students need to be encouraged to use them wisely and continue to consider the financial implications of each transaction made. With increased financial literacy, it is hoped that students can make better financial decisions, manage their finances more effectively and avoid financial problems in the future.

CONCLUSION

From the conclusions that have been made in the research on "Analysis of Financial Literacy and the Role of Generation Z in Supporting Cashless Society (Case Study of Students of the Nusantara Sangatta School of Economics)" can be concluded as follows: Generation Z at the Nusantara Sangatta School of Economics shows a fairly varied level of financial literacy. Most students understand the importance of financial literacy and are able to manage their personal finances well, while others still need to improve their understanding. Good financial literacy allows students to make wiser financial decisions, including in the use of non-cash payments. Generation Z plays an important role in encouraging the adoption of a cashless society on campus. They are more open to technology and tend to be more comfortable using digital payment methods such as e-wallets and QRIS. The use of non-cash payments not only facilitates daily transactions but also increases efficiency and security in transactions. Adoption of Cashless Society Among students of the Nusantara Sangatta College of Economics, it brings various benefits, including:

1. **Time Efficiency:** Transactions are faster without having to wait for change.
2. **Convenience and accessibility:** payments can be made anytime and anywhere, reducing dependence on cash.
3. **Security:** Reduces the risk of loss or theft of cash.

Generation Z at the Nusantara Sangatta School of Economics feels comfortable and easy to use QRIS compared to other non-cash payment transaction tools. This is because it is very fast, just by scanning the QR code, the purchase transaction is successful and QRIS is also widely accepted by various merchant, both small and large scale which makes it more accessible to students.

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