



Pandemic Impact on Islamic Financial Literacy: A Study in Bojonegoro Regency

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Abstract: *The purpose of this study is to determine the influence of decisions on becoming a customer. The research design this time is quantitative research. The data will be processed with a simple regression analysis. The analysis uses simple chart analysis to determine the amount of independence (Islamic financial literacy) due to instability (the decision to become a customer of an Islamic bank). The decision to become a customer is influenced by financial literacy, the financial literacy coefficient value of 0.336 states that if there is an increase in the unit's financial literacy, the decision to become a customer increases by 0.336 (33.6%), assuming other variables are considered constant. And also the Islamic financial literacy variable has a positive influence on decision making to become a customer in Islamic banks. The result of the coefficient of determination (R^2) is 0.15 or 15%, so it can be concluded that the influence of the Islamic financial literacy variable (X) in making decisions to become customers in Islamic banks (Y) has a percentage of 15%, while the remaining 85% influenced by other variables outside this study. The difference in this study is the selection of sample characteristics and research areas.*

Keywords: *Islamic Financial Literacy, Decision to become customer, Financial Services Authority*

Abstrak: *Tujuan dari penelitian ini adalah untuk mengetahui pengaruh keputusan menjadi nasabah. Desain penelitian kali ini adalah penelitian kuantitatif. Data akan diolah dengan analisis regresi sederhana. Analisis menggunakan analisis grafik sederhana untuk mengetahui besarnya kemandirian (literasi keuangan syariah) akibat ketidakstabilan (keputusan menjadi nasabah bank syariah). Keputusan menjadi nasabah dipengaruhi oleh literasi keuangan, nilai koefisien literasi keuangan sebesar 0,336 menyatakan jika terjadi peningkatan literasi keuangan unit maka keputusan menjadi nasabah meningkat sebesar 0,336 (33,6%), dengan asumsi variabel lain adalah dianggap konstan. Dan juga variabel literasi keuangan syariah berpengaruh positif terhadap pengambilan keputusan menjadi nasabah di bank syariah. Hasil koefisien determinasi (R^2) sebesar 0,15 atau 15%, sehingga dapat disimpulkan pengaruh variabel literasi keuangan syariah (X) dalam pengambilan keputusan menjadi nasabah pada bank syariah (Y) memiliki persentase*

sebesar 15 %, sedangkan sisanya 85% dipengaruhi oleh variabel lain di luar penelitian ini. Perbedaan dalam penelitian ini adalah pemilihan karakteristik sampel dan wilayah penelitian.

Kata Kunci: Literasi Keuangan Syariah, Keputusan untuk menjadi nasabah, Otoritas Jasa Keuangan

A. Introduction

Indonesia is the largest country with a Muslim population. Islamic banking is present in the economic concept as a way to provide educational options about financial management. In its development, the existence of Islamic banking has been recognized by the world. The development of Islamic banking to date has experienced a significant increase based on the concept of service, the range of product distribution, and the number of institutions. Based on data as of April 2022, Islamic banking assets experienced a growth of 12.71% from their realization, based on data as of April 2022, with total assets of Rp. 686.29¹. Other data shows that Third Party Funds (DPK) for Islamic banking in April 2022 will grow by 13.30% annually, followed by financing disbursed well, growing 10.25% annually. The following is a table of the number of accounts of beneficiaries and accounts of third party funds in Islamic banking:

Table I. Number of Accounts of Sharia Banking Beneficiaries and Number of Islamic Banking Third Party Fund Accounts

Year	Sum Accounts of Sharia Banking Beneficiaries	Sum Number of Islamic Banking Third Party Fund Accounts
2020	5,73 Million	33,26 Million
2021	6,03 Million	38,08 Million
2022	7,29 Million	43,05 Million

Source: Financial Services Authority (OJK)

The majority of Indonesians are Muslims, which means one of the potentials for the development of Islamic banking in Indonesia. This can be seen from the market share of Islamic banking at only 5.9%, which is very far behind the market share of

¹ Lavinda, "OJK Catat Aset Bank Syariah Capai Rp686 T per April, Melonjak 12%," Katadata.co.id, 2022, <https://katadata.co.id/lavinda/finansial/62bdb5614eb53/ojk-catat-aset-bank-syariah-capai-rp686-t-per-april-melonjak-12>.

conventional banking at 94.1%². As has been said by OJK Deputy Commissioner for Education and Consumer Protection, Sarjito, said that the development of Islamic banking lags behind conventional banking so that it requires acceleration. This can happen for several reasons, one of which is the low level of Islamic financial literacy in Indonesia³. In 2019, the Financial Services Authority (OJK) stated that the conventional financial literacy rate in Indonesia was 38.03%. The Islamic financial literacy rate in Indonesia was 20.1% in 2021⁴.

Monticone found that regions that have good financial knowledge, the level of the economy is also good.⁵ In an article on *civitas Akademica STIE Indonesia Banking School*, Bojonegoro is one of the regions in the East Java region that has experienced an economic downturn due to the outbreak of COVID-19. implementation of structural economic development strategies with a coherent system of regional leaders, including infrastructure development in the fields of transportation, irrigation, agriculture, and strategic industries, especially in the oil and gas sector. Bojonegoro can finally account for 30% of national needs and other social infrastructure. Thus, Bojonegoro's economy during the pandemic only experienced a decline in economic growth of -0.4%⁶.

The comparison between Tuban Regency and Bojonegoro Regency, namely Tuban Regency, experienced a decrease in economic growth affected by COVID-19

² Novi Yushita Amanita, "Pentingnya Literasi Keuangan Bagi Pengelolaan Keuangan Pribadi," *Nominal :Barometer Riset Akuntansi dan Manajemen* VI (2017): 15.

³ Dadang Kurnia, "Share Asset Perbankan Syariah Jatim Masih di Bawah Nasional," *republika.co.id*, 2019, <https://www.republika.co.id/berita/pqva9a370/share-asset-perbankan-syariah-jatim-masih-di-bawah-nasional>.

⁴ Rahmawati Deylla Handida dan Maimun Sholeh, "Pengambilan Keputusan Masyarakat Muslim," *Jurnal Economia* 14, no. 10 (2018): 84–90.

⁵ Chiara Monticone, *Financial Literacy and Financial Advice: Theory and Empirical Evidence*, Università degli Studi di Torino, (2010): 38.

⁶ Indonesia Banking School, "Pembangunan Ekonomi Daerah di Kabupaten Bojonegoro, Jawa Timur," *ibs.ac.id*, 2021, <http://ibs.ac.id/pembangunan-ekonomi-daerah-di-kabupaten-bojonegoro-jawa-timur/>.

by -5.85% ⁷. The following is the level of economic decline after COVID-19 in Bojonegoro Regency and Tuban Regency in table 2 :

Table 2. Comparison of Economic Decline After Covid-19 Bojonegoro Regency and Tuban Regency

Information	Year	Bojonegoro	Tuban
The Rate of Economic Decline	2020	-0,4%	-5,85%

Source : BPS Bojonegoro and Tuban Regencies

In 2021, Bojonegoro Regency received an award as the regency with the 2nd best regional economic development in east Java province, which in the first position is Lamongan Regency, and in the third position is Jombang Regency. Based on data from the East Java Provincial Communication and Information Service, the Bojonegoro Regency Government has again received an award from the Ministry of Home Affairs (Kemendagri) of the Republic of Indonesia as the Regional Government in the Regency Category with the First Highest Regional Revenue Realization for the fiscal year 2021. It is noted that the realization of Bojonegoro Regency Government Revenue in 2021 is targeted to reach 4.2 Trillion, but at the end of the year it was obtained at 5.9 Trillion, or an increase of 138% from the regional revenue target. The following is a comparison of regional revenue realization with Tuban Regency in table 3 :

Table 3. Comparison of Regional Revenue Realization of Bojonegoro Regency and Tuban Regency

Information	Year	Bojonegoro	Tuban
Regional Revenue	2021	5.9 Trillion	2,3 Trillion

⁷ S Heri, "Sektor Ekonomi Makro Paling Terdampak Pandemi Covid-19," tubankab.go.id, 2021, <https://tubankab.go.id/entry/sektor-ekonomi-makro-paling-terdampak-pandemi-covid-19#>.

Realization			
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Source : BPS Bojonegoro and Tuban Regencies

Based on data from the Poverty Resource Center Initiative (PRCI) (2020), Bojonegoro Regency is the No. 3 richest regency in Indonesia judging from the size of the Regional Budget in 2020. Here is the data on the size of the largest regional spending budget in 2020.



Figure 1. Districts With the Highest Regional Budget (APBD 2020) in Indonesia

Source: *Poverty Resource Center Initiative*

The higher the education and knowledge, the higher the level of financial literacy. The Human Development Index (HDI) is an indicator to measure the success of building the quality of life (community/population). The level of financial literacy can be seen through the level of the Human Development Index (HDI) of the area, namely in terms of education and knowledge.

In the Human Development Index, there is a dimension of knowledge. The dimension of knowledge is formed from two indicators, namely the expectation of length of schooling (HSL) and the average length of schooling (RLS). Scheresberg (2013) states that the higher the education, the higher the level of financial literacy. And it is also affirmed by Ebiringa & Okorafor that the age and length of education

have a direct influence on a person's financial literacy.⁸ The following is a table of HLS improvement in Bojonegoro Regency with Tuban Regency.

Table 4. Old Expectations of Community Schools in Bojonegoro Regency and Tuban Regency in 2015-2021

Information	Year	Bojonegoro	Tuban
HSL (Old School Expectations)	2015	12,09	12,07
	2016	12,11	12,17
	2017	12,34	12,18
	2018	12,35	12, 19
	2019	12,6	12,2
	2020	12,39	12,21
	2021	12,68	12,11

Source : BPS Bojonegoro Regency and Tuban Regency

In Bojonegoro, the Old School Expectations (HSL) indicator continues to progress. During the period from 2015 to 2021, HLS in Bojonegoro Regency has increased from 12.09 years (2015) to 12.68 years (2021), or an increase of 0.31 years. The increase in HLS to 12.39 years means that children aged 7 years have the potential to complete education until graduation from high school. This means that the quality of human resources in terms of education is improving, which has an impact on increasing the competitiveness of human resources as the main actors of development. For the Old School Expectations (HSL), Tuban Regency also increased from 12.07 in 2015 to 12.11 in 2021. However, this figure is still below that of Bojonegoro Regency.

⁸ Ebiringa, O., & Okorafor, E. (2010). Financial Literacy and financial decision making capacity: The gender balance issue. Department of Management Technology, 12(7), 233–239.

The next indicator of the Human Development Index (HDI) is the average length of schooling (RLS). The concept of financial management to make financial decisions It depends on your level of personal education. In a study conducted by Sabri (2011), it was found that the level of education has an impact on a person's financial intelligence. The level of education is measured from the aspect of formal education that was last pursued. According to Sikula, education is a long-term learning process using a systematic procedure in which the study of knowledge for general purposes ⁹ is The following is the comparative data of the RLS of Bojonegoro Regency with Tuban Regency in table 5

Table 5. Average Length of Community Schools in Bojonegoro and Tuban Regencies in 2015-2021

Information	Year	Bojonegoro	Tuban
RLS (Average Length of Schooling)	2015	6,64	6,2
	2016	6,65	6,25
	2017	6,71	6,48
	2018	6,77	6,52
	2019	7,09	6,81
	2020	7,33	6,95
	2021	7,38	7,18

Source : BPS Bojonegoro Regency and Tuban Regency

Meanwhile, the RLS of Bojonegoro Regency also increased from 6.64 years (2015) to 7.38 years (2021), or an increase of 1.19 years. And also, the increase in Bojonegoro's RLS to 7.33 years shows that the average resident of Bojonegoro aged 25 years and over has mostly completed their education until graduating from junior high school in 2019. According to data from the Central Statistics Agency (BPS) Tuban,

⁹ Andrew E. Sikula, *Manajemen Sumber Daya Manusia* (Bandung: Erlangga, 2011).

the average length of schooling for the Tuban community in new schools in 2021 is only 7.18 years¹⁰. This has been confirmed by Noor Nahar Hussein as the deputy regent of Tuban. He said that Tuban's HDI is difficult to increase and poverty is difficult to reduce because the length of education is still minimal. The level of education is very important to support financial literacy in order to cause financial literacy behavior.

Bojonegoro Regency itself has 28 districts, one of which is Bojonegoro District. The Bojonegoro Subdistrict area is an urban area in Bojonegoro regency with a total of 11 villages and 8 villages, where the Bojonegoro district is densely populated, with the largest population of 88,499 people. Bojonegoro Subdistrict is the center of the city in Bojonegoro Regency, a very dense city with a fairly good economy for its citizens.¹¹ found that age, education, and work experience affect a person's financial literacy. The residents of Bojonegoro Subdistrict who are over the age of 10 years mostly work as civil servants, as many as 5,648 people, as farmers, 1,399 people, farm workers, 822 people, breeders, 629 people, traders, 1,456 people, retired civil servants, 2,711 people, industrial entrepreneurs, 1,629 people, TNI Polri, 1267 people, and retired TNI Polri, 945 people.

One of the concepts of financial literacy is the knowledge of financial concepts. Remund said there are indicators of financial literacy, including knowledge, skills, attitudes, and trust.¹² Financial literacy emphasizes more on a person's knowledge of the concept of financial management, both regarding the use of products and management, and the benefits and risks obtained. Knowledge can also be called

¹⁰ Indra Gunawan, "Rata-Rata Masyarakat Tuban Hanya Tamatan Sekolah Dasar," radarbojonegoro, 2021, <https://radarbojonegoro.jawapos.com/daerah/bojonegoro/29/03/2021/rata-rata-masyarakat-tuban-hanya-tamatan-sekolah-dasar/>.

¹¹ Abraham Ansong dan Michael Asiedu Gyensare, "Determinants of University Working-Students' Financial Literacy at the University of Cape Coast, Ghana," *International Journal of Business and Management* 7, no. 9 (2012): 126–33, <https://doi.org/10.5539/ijbm.v7n9p126>.

¹² Remund, D. L. (2010). Financial literacy explicated: The case for a clear definition in an increasingly complex economy. *The Journal of Consumer Affairs*, 44(2), 276–295.

literacy. The higher the education and knowledge, the higher the level of financial literacy¹³.

Abdurrahman, the indicators that influence decision making are personal factors (age, work, economic circumstances, lifestyle, personality), cultural factors (culture, social class), psychological factors (motivation, perception, knowledge or insight, beliefs), and social factors (family, reference group, role, and status)¹⁴. Indicators Knowledge and trust from financial literacy are indicators derived from psychological factors expressed by Lusardi and Mitchell that financial literacy is part of the knowledge that allows such knowledge to influence the decision-making process¹⁵.

According to Amat Yunus the knowledge factor affects people's interest in becoming customers of Islamic banks.¹⁶ The higher the level of education and knowledge, the greater the interest in becoming a customer of Islamic banks in the community. Rahma shows that knowledge is a factor that influences people's interest in making decisions to become customers of Islamic banks. The same results were shown by Meilia, Knowledge partially affects the decision to become someone's client¹⁷.

B. Hypothesis

Priyono posits that the Hypothesis is a proposition that will be tested for its applicability, in other words the hypothesis is a temporary answer to the researcher's question.¹⁸ According to The Association of Chartered Certified Accountants (2014), the

¹³ Alistair Byrne, "Employee saving and investment decisions in defined contribution pension plans: survey evidence from the UK," vol. 1999, 2017.

¹⁴ Nana Herdiana Abdurrahman, *Manajemen Strategi Pemasaran* (Bandung: Pustaka Setia, 2015).

¹⁵ Annamaria Lusardi dan Olivia S. Mitchell, "Baby Boomer retirement security: The roles of planning, financial literacy, and housing wealth," *Journal of Monetary Economics* 54, no. 1 (2007): 205–24, <https://doi.org/10.1016/j.jmoneco.2006.12.001>.

¹⁶ Sunardi dan Fety Aniarsih, "Faktor-Faktor yang Memengaruhi Minat Masyarakat Muslim Menabung di Bank Syariah (Studi Kasus di Kelurahan Kelapa Dua-Tangerang)," *Islaminomics: Journal of Islamic Economics, Business and Finance* 4, no. 2 (2013).

¹⁷ Handida dan Sholeh, "Pengambilan Keputusan Masyarakat Muslim."

¹⁸ Priyono, *Metode Penelitian Kuantitatif*. Sidoarjo : Zifatama, (2008). 72.

concept of financial literacy is knowledge of financial management, as well as skills in managing personal finances. Hadinda¹⁹ said that the level of Islamic financial literacy has a positive and significant effect on the decision of the Muslim community to use Islamic banking products. In line with Cahyanti, the level of Islamic financial literacy partially has a positive and significant influence on the use of Islamic banking services.²⁰ This means that the better a person's level of financial literacy, the better it will be for someone's decision to use the products of Islamic financial institutions. Thus the hypothesis in this study is as follows :

HI : Financial literacy (X) has an influence on the decision in Islamic banking (Y)

Gallardo and Libot suggest that financial literacy is a combination of a person's awareness, knowledge, ability, management, and planning regarding business and finance²¹. Chen and Volpe explain that financial literacy is the knowledge as well as skills relevant to personal financial management and the financial understanding of some things like savings, insurance, and investing²². Hung found that financial literacy is the ability to apply organizational knowledge and skills to the financial system to achieve positive prosperity²³. According to the Program for International Student Assessment (2012), financial literacy is the knowledge and understanding of financial terms used to make decisions to finance effectively, to improve material well-being by individuals and groups, and in economic life. According to Mason and Wilson, financial literacy is defined as

¹⁹ Handida dan Sholeh.

²⁰ Cahyanti, Deby Hana. "Analisis Pengaruh Tingkat Literasi Keuangan Syariah, Religiusitas Masyarakat, & Keterjangkauan Akses Layanan Terhadap Penggunaan Jasa Perbankan Syariah" (2018).

²¹ Ma. Liezl Concepcion Gallardo dan Buenaventura Libot, "Financial Literacy and Retirement Preparedness among University of Bohol Employees," *University of Bohol Multidisciplinary Research Journal* 5, no. 1 (2017), <https://doi.org/10.15631/ub.mrj.v5i1.48>.

²² Francisco Guzman, Audhesh Paswan, dan Niranjana Tripathy, "Consumer centric antecedents to personal financial planning," *Journal of Consumer Marketing* 36, no. 6 (2019): 858–68, <https://doi.org/10.1108/JCM-01-2018-2514>.

²³ Angela Hung, Andrew M. Parker, dan Joanne Yoong, "Defining and Measuring Financial Literacy," *SSRN Electronic Journal*, 2011, <https://doi.org/10.2139/ssrn.1498674>.

understanding the potential of human beings and information related to making the right decisions regarding finances.²⁴

The OJK divides the level of financial literacy into four parts ²⁵: 1) Well Literate, which is someone who has an excellent financial management concept. So as to be able to minimize the occurrence of financial risks, 2) Sufficient Literate, namely Someone with a fairly good level of financial knowledge, 3) Less Literate, that is, someone who does not understand the concept of financial management that will have an impact on their financial welfare, 4) Not Literate, which is someone who is not at all literate about the concept of financial management.

Abdul Rahim explained that Islamic financial literacy has a relationship with a person's ability to implement knowledge, ability in financial management with islamic law and principles ²⁶. Remund there are several indicators of financial literacy as follows ²⁷: 1) Knowledge, is how a person has an understanding and insight into the concept of financial management, both in terms of products, institutions, systems, and the benefits and risks that may be obtained; 2) Skills are how a person has the ability to manage his personal finances; 3) Attitude, is an action taken by a person in making decisions about the products and services of Islamic bank institutions by considering the risks and benefits to be obtained; 4) Trust, a person who has placed trust in an Islamic financial institution, is likely to make a repurchase of the products of Islamic financial institutions.

According to Prajudi Atmosudirjo, a decision is the end result of a problem-solving consideration. by dropping a twist on some alternatives. In making a decision, you should think carefully so that it does not pose an unintended risk. Siagian revealed that decision-

²⁴ Mason, C., & Wilson, R. Conceptualizing financial literacy. Business School Research,(2000);97.

²⁵ Novia Ari Panghayo dan Musdhalifah Musdhalifah, "Pengaruh Literasi Keuangan Terhadap Pemilihan Layanan Keuangan Syariah," *al-Uqud: Journal of Islamic Economics* 2, no. 2 (2018): 152, <https://doi.org/10.26740/al-uqud.v2n2.p152-167>.

²⁶ Siti Hafizah Abdul Rahim, Rosemaliza Abdul Rashid, dan Abu Bakar Hamed, "Islamic financial literacy and its determinants among university students: An exploratory factor analysis," *International Journal of Economics and Financial Issues* 6, no. 7Special Issue (2016): 32–35.

²⁷ David L. Remund, "Financial literacy explicated: The case for a clearer definition in an increasingly complex economy," *Journal of Consumer Affairs* 44, no. 2 (2010): 276–95, <https://doi.org/10.1111/j.1745-6606.2010.01169.x>.

making is a well-regulated approach to a problem by collecting actual and reliable information about the problem ²⁸.

Factors influencing decision making according to Abdurahman; 1) Cultural Factors, consisting of culture, and social class. Social class is a division that is permanent and has a level or level in society; 2) Social factors or also called reference groups are the environment of groups around consumers such as friends, home environment; 3) Personal Factors, such as age, occupation, economic conditions, lifestyle, the personality that arise from each person; 4) Psychological factors, namely motivation, perception, trust, knowledge. The bank guarantees the security of the funds deposited by the customer. This is one of the factors of customer trust and motivation in decision-making ²⁹.

Kotler, the stages of decision-making are as follows ³⁰ ; 1) Recognition of needs, is when a person is able to recognize and realize the existence of a need problem. In this case, the introduction of the problem regarding the interest in becoming a customer in Islamic banks; 2) Information Search, once a consumer is aware of their needs, finally begins to have an interest in searching for information. Information can be obtained from the surrounding environment, or by people closest to the consumer; 3) Alternative evaluation, is how the consumer manages the various information obtained earlier. Alternative evaluation is used as a consideration before finally using a certain product; 4) Purchasing Decision, after comparing products between one bank and another a consumer will decide to use the product he chooses; 5) Post-Purchase Behavior, consumers will get a number of levels of satisfaction and dissatisfaction. If you get satisfaction, it allows consumers to recommend products to people around them.

²⁸ Sondang P. Siagian, *Manajemen Sumber Daya Manusia* (Jakarta: Bumi Aksara, 1993).

²⁹ Abdurrahman, *Manajemen Strategi Pemasaran*.

³⁰ Philip Kotler dan G Armstrong, *Prinsip-prinsip Pemasaran* (Jakarta: Erlangga, 2008).

C. Research Methodology

The research design this time is quantitative research. According to Sugiyono, Quantitative research has a structure and calculates data to be generalized³¹.³² A study of the type of relationship between two or more variables changes. Ideas in the form of related research reveal the influence of one problem on another.

Sutrisno, the population is a whole in the study subject that has certain characteristics that are determined by the researcher to be studied and summarized.³³ The population of this study was residents of Bojonegoro District who became customers of Bank BSI KC Bojonegoro as many as 3527 people. With a population of 3527 people, researchers reduced the sample size using the Slovin formula, so that the number of samples was obtained as many as 97 people with an error degree of 10%. The sampling method used in this study is nonprobability sampling with the Accidental Sampling technique, which is a method of selecting samples with people or subjects that are easy to find according to the characteristics that the researcher sets.

The characteristics of the sample of 97 respondents were obtained through the distribution of questionnaires in the form of respondents' identity questions, the following characteristics: Aged 15-40 years, Based on the Financial Services Authority, a person's productive age is between 15-40 years old in order to have good knowledge in the field of finance and finance. The last minimum junior high school education, referring to the Data of the Human Development Index (HDI) for the Bojonegoro region, is that the average length of schooling (RLS) of the community has completed junior high school education and has the potential to continue to the next level. Because someone who has the opportunity to receive an education, of course, obtains the opportunity to have the knowledge, where knowledge is one of the concepts of Financial Literacy.³⁴

³¹ Sugiyono, *Metode Penelitian Bisnis* (Bandung: Alfabeta, 2005).

³² Imam Machali, *Metode Penelitian Kuantitatif* (Yogyakarta: UIN Yogyakarta, 2017).

³³ Sutrisno Hadi, *Metodologi Research*. Yogyakarta: UGM, 1987. 78.

³⁴ Remund, D. L. (2010). Financial literacy explicated: The case for a clear definition in an increasingly complex economy. *The Journal of Consumer Affairs*, 44(2), 276–295.

The data will be processed with a simple regression analysis. The analysis uses simple chart analysis to determine the amount of independence (Islamic financial literacy) due to instability (the decision to become a Customer of an Islamic bank).

D. Result and Discussion

Table 6. Descriptive Statistics of Variables X and Y

Information	Minimum	Maximum	Average Value	Standard Deviation
X (Financial Literacy)	33	49	39,05	1,986
Y (Decision to Become a Customer)	31	42	35,52	1,726

Source: SPSS 25

Customers' Islamic financial literacy is in the sufficient category, based on the acquisition of an average score of 39.05, which is between the scores of 38 X 40. The decision to become a customer of a Sharia bank falls into the sufficient category, based on the acquisition's long-term value of 35.52, which falls between the scores of 35 X 36. This is in line with the research conducted by Muna Dahlia that found the level of Islamic financial literacy is in the moderate category ³⁵. Customers can gain knowledge about financial management as well as products, institutions, and services in Islamic banks by receiving education. Getting an education will affect a person's level of knowledge ³⁶.

Table 7. Correlation Test Result Data

Information	Financial Literacy	The decision to become a customer
Financial Literacy	I	
Decision to become	0,387	I

³⁵ Muna Dahlia, "Pengaruh Tingkat Literasi Keuangan Syariah Terhadap Keputusan Menggunakan Lembaga Keuangan Syariah (Studi Pada Dosen Universitas Islam Negeri Ar-Raniry)" (Universitas Islam Negeri Ar-Raniry, 2020).

³⁶ Mohamad Fazli Sabri et al., "Financial behavior and problems among college students in Malaysia: Research and education implication," *Consumer Interests Annual* 54 (2008): 166–70.

a customer		
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Data sources were processed using Microsoft Excel 2007s

The person correlation value is estimated at 0.387, and between the Islamic financial literacy variable (X) and the decision variable Becoming a Customer (Y), there is a weak correlation. This is evidenced by the person correlation value of 0.387 which is between 0.20 – 0.399.

This simple regression test is carried out to find out how much influence between the financial literacy variable and the Decision Variable Become a Customer. Here are the results of a simple linear regression test:

Table 8. Simple Linear Regression Test Result Data

Information	Coefficients	Std.Error	T Stat	P-Value
Intercept	22,393	3,216	6,964	0,000
X	0,336	0,082	4,089	0,000

Data sources were processed using Microsoft Excel 2007s

The formula of the regression equation is simple as follows:

$$Y = a + bX \quad Y = 22.393 + 0.336X$$

The decision to become a customer is influenced by financial literacy, the value of the coefficient of financial literacy of 0.336 states that if there is an increase in the financial literacy of the unit, the decision to become a customer increases by 0.336 (33.6%), assuming other variables are considered fixed. And also the variables of Islamic financial literacy have a positive influence on the decision-making of Becoming a Customer in Islamic banks.

Based on the results of the t-test, it shows a calculated value of 13.194 and a P- Value value of 0.000. The calculated value above is greater than the t-table value which is only 1.988. As for the P-Value above is smaller than 0.05 ($0.000 < 0.05$), then H_0 is rejected and H_a is accepted. The conclusion is that there is an influence between the variables of Islamic financial literacy and the decision variables of Becoming a Customer in Islamic

banks. The calculated value obtained is a positive value of 13,194, which in the sense of variability X has a positive and significant influence.

Table 9. Coefficient of Determination Result Data

Koefisien Korelasi	Koefisien Determinasi
0,387	0,150

Data sources were processed using Microsoft Excel 2007s

The result of the value of the coefficient of determination (R^2) is 0.15 or 15%, so it can be concluded that the influence of the Islamic financial literacy variable (X) in decision-making to become a customer in a Sharia bank (Y) has a percentage of 15%, while the remaining 85% is influenced by other variables outside this study.

Financial literacy in customers is needed, to be able to manage financial patterns properly. Howell (1993) in Zahroh (2014), the person in financial management is a fundamental competency that is needed in the present ³⁷. It is very important to have knowledge about finance for individuals, in order to make financial decisions later ³⁸. Chen and Volpe (1998), that financial literacy is knowledge in order to live a more prosperous life in the future ³⁹.

The level of financial literacy can have an impact on the ability to have long-term savings ⁴⁰ Financial literacy is the ability of individuals to obtain, understand and evaluate information relevant for decision making by understanding the financial consequences caused (Carolynne L, J Mason & Richard MS Wilson: 2000). The results differ in that

³⁷ Fatimatus Zahroh, "Menguji Tingkat Pengetahuan keuangan, Sikap Keuangan Pribadi, dan Perilaku Keuangan Pribadi Mahasiswa Jurusan Manajemen Fakultas Ekonomika dan Bisnis Semester 3 dan Semester 7" (Undip, 2014).

³⁸ Salmah Said dan Andi Muhammad Ali Amiruddin, "Literasi Keuangan Syariah di Perguruan Tinggi Keagamaan Islam (Studi Kasus UIN Alauddin Makasar) Salmah Said dan Andi Muhammad Ali Amiruddin Universitas Islam Negeri Alauddin Makassar Keywords : Literasi , Keuangan , Islam , Perguruan Tinggi , UIN Alaud," *al-Ulum* 17, no. 1 (2017): 44–64, <https://doi.org/10.9744/jmk.17.1.76>.

³⁹ Guzman, Paswan, dan Tripathy, "Consumer centric antecedents to personal financial planning."

⁴⁰ Dwitya Aribawa, "Pengaruh literasi keuangan terhadap kinerja dan keberlangsungan UMKM di Jawa Tengah," *Jurnal Siasat Bisnis* 20, no. 1 (2016): 425–30, <https://doi.org/10.1007/s10006-013-0431-4>.

financial literacy does not guarantee that it gives the right results ⁴¹. Another study Navickas, Tadas, and Emilia (2013), that the responsibility of managing individual finances needs to be carried out as early as possible; because of the emergence of financial regulatory errors is difficult to correct in the future.

The results of this study can show that Bojonegoro Regency, the level of financial literacy, especially in Islamic banking, is still low, with evidence that Islamic banking is only able to achieve its market share not yet up to 10%, and the results of statistical tests that show sufficient value for financial literacy. People's knowledge of finances that are lacking will result in losses for individuals, whether due to inflation, a decline in economic conditions both domestically and abroad, or the development of an economic system that makes society more consumptive or more wasteful. In addition, the lack of knowledge about finance makes it difficult for a person to make investments or access to financial markets. ⁴² explained that financial literacy helps individuals to avoid financial problems. Financial difficulties are not just a function of income alone (low income).

E. Conclusion

Personal financial management helps to carry out activities in a financially planned manner. Financial literacy is the ability (proficiency) of an individual to make effective decisions related to their finances. Financial literacy helps individuals avoid financial problems, especially those that occur due to financial mismanagement. The existence of banking institutions is needed as a forum for individuals to take advantage of their products to help meet their understanding of financial literacy. The Bojonegoro Regency shows that its level of financial literacy is sufficient, especially for knowledge of Islamic banking. The number of people who become customers at Sharia banks has not reached 10% of the number of people who meet the requirements to have savings. The

⁴¹ Carolynne Mason dan Richard Wilson, "Conceptualising financial literacy," *Business School Research Series* 7, no. 1 (2000): 1–41, <https://dspace.lboro.ac.uk/dspace-jspui/handle/2134/2016>.

⁴² Ayu Krishna, Rofi Rofaida, dan Maya Sari, "Analisis Tingkat Literasi Keuangan (Survey pada Mahasiswa Universitas Pendidikan Indonesia)," *Proceedings of The 4th International Conference on Teacher Education; Join Conference UPI & UPSI Bandung, Indonesia*, no. November (2010): 552–60.

implications of the results of this study are shown to the public, the Financial Services Authority and Islamic banking institutions. They can know that the community has characteristics inherent to each region, so that each region will be different in understanding and the level of financial literacy. The strategies applied in each region will be different because the characteristics of the people are also different.

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