ISSN: 2338-8412 e-ISSN : 2716-4411

Ekombis Review – Jurnal Ilmiah Ekonomi dan Bisnis
Available online at : https://jurnal.unived.ac.id/index.php/er/index
DOI: https://doi.org/10.37676/ekombis.v12i3

Factors Influecing Financial Literacy; Analysis Of Helplessness, Cognition, Needs And Social Environment Moderation

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How to Cite :
Adiandari, M, A., Herlambang, D, G, P., Sudiyani, N, N., Amrita, A, D, N. (2024). Factors Influecing Financial Literacy; Analysis Of Helplessness, Cognition, Needs And Social Environment Moderation. EKOMBIS REVIEW: Jurnal Ilmiah Ekonomi Dan Bisnis, 12(3). doi: https://doi.org/10.37676/ekombis.v12i3

ARTICLE HISTORY
Received [30 April 2024]
Revised [19 June 2024]
Accepted [25 July 2024]

KEYWORDS
Financial Literacy, Needs, Social Environment Moderation

ABSTRACT

This study aims to analyze the effect of cognition needs, feelings of Powerlessness, and moderation of the social environment on financial literacy. The methodology used is quantitative analysis with a structured survey of individuals aged 18-60 years. Data analysis was performed using Smart PLS SEM (Partial et al. – Structural Equation Modeling) software, which is efficient in handling latent variables and analyzing complex relationships between variables. The results of the hypothesis test showed that feelings of Powerlessness had a significant negative impact on financial literacy (coefficient -0.251, p < 0.001). In contrast, the influence of environmental moderation on feelings of Powerlessness on financial literacy was significantly positive (coefficient 0.104, p = 0.001). Cognition needs contribute significantly positively to literacy (coefficient 0.369, p < 0.001), but environmental moderation to Cognition needs shows no significant effect (coefficient -0.050, p = 0.238). Environmental variables themselves have a significant favorable influence on financial literacy (coefficient 0.289, p < 0.001). The conclusions of this study underscore the importance of understanding cognitive and environmental factors in efforts to improve financial literacy, as well as presenting a database for effective policy development and interventions.

INTRODUCTION

Financial literacy has become an increasingly important topic in the context of the global economy, especially in developing countries such as Indonesia. Individuals' ability to understand and manage their finances effectively is critical to achieving financial stability and improving overall well-being. However, efforts to improve financial literacy often face a variety of complex and multifaceted barriers, including psychological and social factors that influence individuals' perceptions and financial behavior.In Indonesia, financial literacy is still a significant challenge. Based on data from the Financial Services Authority (OJK), it is recorded that 21.8 million Indonesians already have a sound financial understanding and level of trust in financial institutions. However, when compared to other countries such as Singapore, with 98% financial literacy, Malaysia 85%, Thailand 82%, Indonesia is still in a low position with only 70% (Yundari, 2021). This shows that Indonesia still needs to catch up in understanding financial concepts. OJK noted that until this year, financial literacy in the capital market sector had only reached 4.92%, a meager figure when compared to the banking sector, which reached 36.12% in the same survey. It took six years to increase financial inclusion in the capital market to reach 1.44% in Indonesia. According to the 2019 OJK Survey involving 12,773 respondents from 34 provinces and 67 cities/regencies, the financial literacy index rose 8.33% from 2016, while the financial inclusion index rose 8.39%. Despite the increase, financial literacy is still relatively low at only 38.03%, which means only about 38 out of 100 people have sufficient knowledge, skills, and beliefs about financial products and services. Factors such as low level of education, lack of access to financial services, and lack of understanding of basic financial concepts are some of the factors that worsen the financial literacy situation in Indonesia.

In addition, economic conditions that are often uncertain and fluctuating also add to the complexity of financial literacy challenges in Indonesia (Wardhono et al., 2018). Most people, especially those from the lower middle economic strata, often need to gain adequate knowledge on how to manage financial risk, invest their money wisely, or even draw up a proper household budget. In this context, this study aims to analyze the factors influencing financial literacy in Indonesia, focusing specifically on the role of cognitive needs, helplessness, and moderation of the social environment. A deep understanding of how these factors interact with each other and influence financial literacy levels can provide valuable insights for designing more effective intervention strategies.

Behavioral Economics theory provides a solid foundation for understanding individual financial behavior, highlighting the importance of psychological factors such as cognitive needs and helplessness in financial decision-making. In addition, social theory provides insight into how the social environment can moderate the effects of psychological factors on an individual's financial behavior. Studies by Bradley (2021) show that economic Powerlessness can limit an individual's ability to access information and make informed financial decisions. On the other hand, research by Koskelainen et al. (2023) posits how the design of the social environment can influence individuals' financial decisions without reducing their freedom.

By combining these perspectives, the study aims to explore the complexity of the factors affecting financial literacy in Indonesia and how appropriate interventions can be designed to improve people's financial understanding and skills. A deep understanding of the factors affecting financial literacy is essential to formulate appropriate policies and programs to improve financial literacy in Indonesia. With a better understanding of the role of cognitive needs, helplessness, and social environment moderation, innovative solutions will emerge that can overcome the financial literacy challenges faced by the Indonesian people.

The results of the study are expected to make a significant contribution to our understanding of financial literacy and the factors that influence it in Indonesia. Thus, this research can be a foundation for the design of public policies, financial education programs, and social interventions that are more effective in improving people's financial literacy. The research underscores the importance of understanding the factors that influence financial literacy in Indonesia. With a better understanding of the role of cognitive needs, helplessness, and social environment, more effective interventions can be designed to improve financial literacy in the country.

LITERATURE REVIEW

Financial Literacy: Its Concept And Importance

Financial literacy is more than just an understanding of how to manage money. It includes a deep understanding of various aspects of finance, including budget management, investments, insurance, and retirement. Financial literacy allows individuals to make smart financial decisions based on the knowledge they have, thus helping them better achieve their financial goals. Research by Lusardi and Mitchell (2011) highlights that financial literacy is not only crucial for an individual's financial well-being but also has a far-reaching impact on the economy as a whole. Individuals with good levels of financial literacy tend to be more financially independent, less vulnerable to financial fraud, and better able to manage unexpected financial risks.

In today's global context, with the increasing complexity of financial markets and available financial products, financial literacy is becoming increasingly important. Without an adequate understanding of how financial markets and financial products work, individuals can get stuck in excessive debt, take the risk of inappropriate investments, or even fall victim to financial fraud in Indonesia, where financial literacy challenges are still very relevant. Lack of formal financial education in schools, low access to financial services in some areas, and lack of awareness about the importance of financial planning are the major factors affecting financial literacy in the country.

Therefore, efforts to improve financial literacy must be a priority for governments, financial institutions, and society as a whole (Ingale & Paluri, 2022). Broader financial education, more accessible access to financial information, and promotion of awareness about the importance of financial literacy can help improve financial understanding and skills in the community (Dewi et al., 2020). Thus, financial literacy is not just about understanding the numbers but also about empowering individuals to take control of their own financial lives. It is a long-term investment that benefits not only the individual but also society and the economy as a whole.

Cognitive Needs In Financial Decision-Making

Behavioral Economics theory highlights the importance of psychological factors, including cognitive needs, in financial decision-making. Individuals with low levels of financial literacy often need help in processing complex financial information and evaluating risks accurately. A study by Fong et al. (2021) found that lack of financial literacy is often associated with difficulties in understanding risk and making informed investment decisions.

Research by Van Rooij et al. (2012) illustrates the relationship between financial literacy, retirement planning, and household wealth. The study highlights that individuals with higher levels of financial literacy tend to have better retirement planning and more incredible household wealth. In addition, research by Weixiang et al. (2022) found that financial literacy is also related to decisions regarding asset allocation and portfolio diversification. Individuals with higher levels of financial literacy tend to have more balanced investment portfolios and can better manage risk.

In the Indonesian context, a study by Suyanto et al. (2021) shows that low levels of financial literacy in the country are often associated with suboptimal financial decisions, such as poor debt management and lack of preparation for retirement. Therefore, individuals need to improve their financial literacy in order to overcome the challenges of complex financial decision-making. Proper financial education, access to accurate financial information, and the use of appropriate financial decision-making tools can help individuals improve their understanding of financial concepts and make better decisions for their financial future. Thus, an understanding of cognitive needs in financial decision-making is critical in efforts to improve individual financial literacy and ensure long-term financial well-being.

Economic Powerlessness And Financial Literacy

Economic Powerlessness is an essential factor affecting an individual's financial literacy. Individuals with low income levels or limited access to financial services often need help accessing financial education and understanding and utilizing appropriate financial products. Research by Hasan et al. (2021) highlights the importance of access to financial services in improving financial literacy among low-income people.

Research by Walsh et al. (2024) provides deep insights into how low-income people manage their day-to-day finances. The study highlights the challenges faced by individuals living in conditions of economic uncertainty and having limited access to formal financial services. In addition, research by Duvendack and Mader (2020) shows that financial inclusion programs designed to improve access to financial services can have a positive impact on financial literacy among low-income people. These programs not only provide access to financial products but also provide financial education and technical support to help individuals better manage their finances.

In Indonesia, a study by Viana et al. (2021) highlights the importance of financial inclusion programs in an effort to improve financial literacy in the country. With increased access to affordable financial services and a better understanding of financial products, it is expected that low-income individuals can utilize financial services more effectively and reduce the financial risks they face. Therefore, efforts to improve financial literacy among low-income people should include strategies that expand access to financial services, increase understanding of financial concepts, and provide the technical support needed to help individuals better manage their finances.

Thus, economic Powerlessness is one of the critical factors that need to be considered in an effort to improve financial literacy in Indonesia and other developing countries. Providing better access to appropriate financial services and financial education is expected to help individuals overcome the barriers they face in managing their finances and achieve better financial well-being.

Moderation Of The Social Environment In Financial Literacy

The social environment plays a vital role in shaping an individual's financial literacy. The study by Koskelainen et al. (2023) highlights that the design of the social environment can influence individual financial decisions by pushing towards desired behavior. A supportive environment, such as community groups that support each other in terms of financial education, can improve overall financial literacy.

Research by Thaler and Sunstein (2009), in their book Nudge: Improving Decisions about Health, Wealth, and Happiness, describes how the design of the social environment can affect individuals' financial behavior. They highlight that by using "nudges," such as messages designed to encourage wiser financial actions, the social environment can help individuals make better decisions related to their finances.

In addition, research by Lusardi (2019) shows that social interventions, such as community groups that support each other in terms of financial education, can have a significant positive impact on individual financial literacy. Through the exchange of knowledge and experience, individuals can learn from each other and gain support in facing complex financial challenges. In Indonesia, a study by Abbas et al. (2023) highlights the critical role of community groups in improving financial literacy in the country. They found that participation in community groups focused on financial education can significantly improve individuals' financial understanding and skills.

Therefore, the government, financial institutions, and society need to work together to create a supportive social environment to improve financial literacy in Indonesia. Programs that encourage participation in community groups, financial education at the community level, and campaigns that raise awareness about the importance of financial literacy help create a social environment conducive to the development of better financial literacy. Thus, understanding the role of social environment moderation in financial literacy is critical in efforts to improve individuals' financial understanding and skills and achieve better overall financial well-being.

Indonesia's Context In Financial Literacy

In Indonesia, financial literacy is still an issue that needs serious attention. A study by Hajar & Isbanah (2023) in 2023 shows that the low financial literacy in the country is due to factors such as low financial education in schools, lack of access to financial services, and lack of understanding of basic financial concepts. One of the latest sources that provides an overview of financial literacy in Indonesia. The results of this survey provide a deep understanding of the challenges and gaps in financial literacy in Indonesia (Wiryakusuma et al., 2024). In addition, research by Jumady et al. (2024) highlights that a lack of understanding of financial products and investment risks, along with a need for more awareness of the importance of financial planning, is a significant challenge in improving financial literacy in Indonesia.

In addition, a study by Navalia (2023) shows that low financial literacy in Indonesia can also be attributed to low participation in formal financial services, such as savings and insurance. Lack of knowledge about the benefits and risks of financial products and lack of trust in formal financial institutions are also factors affecting financial literacy in the country. Therefore, efforts to improve financial literacy in Indonesia should cover various aspects, including improvements in the financial education system in schools, promotion of access to financial services, and campaigns that raise awareness about the importance of financial literacy. Financial education programs in schools, training for the general public, and efforts to improve access to affordable and accessible financial services can help address financial literacy challenges in Indonesia.

Thus, an understanding of the Indonesian context in financial literacy becomes vital in designing appropriate strategies and policies to improve financial literacy in the country. With continuous and integrated efforts, significant improvements in financial literacy and the financial well-being of the Indonesian people as a whole are expected to be achieved. A number of complex and interrelated factors influence financial literacy in Indonesia. The role of cognitive needs, economic Powerlessness, and moderation of the social environment are essential aspects in understanding the challenges and potential solutions to improve financial literacy in the country.

First, an individual's cognitive needs play a crucial role in wise financial decision-making. Low financial literacy is often associated with difficulty understanding complex financial concepts and evaluating risks appropriately. In this context, efforts to improve understanding of the basic concepts of finance and provide relevant financial education become critical.

Second, economic Powerlessness is a severe obstacle to the development of financial literacy in Indonesia. Individuals with low incomes or limited access to financial services often need help accessing financial education and utilizing appropriate financial products. Therefore, it is essential to reduce the gap in access to financial services and increase understanding of financial products among low-income people.

Third, the social environment plays a vital role in shaping an individual's financial literacy. The design of a supportive social environment, such as the existence of community groups that support each other in terms of financial education, can facilitate learning and exchange of knowledge about finance. Therefore, collaborative efforts from various parties are needed to create a conducive social environment for the development of better financial literacy.

By understanding the complexity of these factors, the government, financial institutions, and society can design more effective interventions to improve financial literacy in Indonesia. With integrated and sustainable efforts, significant improvements in financial literacy and the financial well-being of the Indonesian people as a whole are expected to be achieved.

METHODS

This study aims to identify factors that influence the increase in the financial literacy index. The research method used is quantitative, following the approach described by (Creswell & Creswell, 2017). This research stage begins with a comprehensive literature review of the results of the financial literacy index survey, strategies that have been applied, and relevant psychosocial theories. Next, a hypothesis is prepared based on a predetermined theoretical framework. The data collection process is carried out through quantitative instruments, where data is collected from participants who meet the age criteria of 18-60 years. The number of samples was determined through a priori power analysis, with a target of 375 participants. This study involved three independent variables, namely cognitive needs, helplessness, and social environment motivation, and one dependent variable, namely the level of financial literacy.

Data analysis was conducted using Smart PLS-SEM (Partial et al. – Structural Equation Modeling) software. In accordance with Guenther et al. (2023), the PLS method is used because of its ability to describe latent variables measured through indicators. PLS is also able to explain the relationship between variables and perform analyses in one test, which helps in confirming the theory and explaining the presence or absence of relationships between latent variables. The selection of this method allows this study to analyze latent variables with clear and detailed calculations. The study was conducted in two different locations in Indonesia, namely Denpasar (Bali) and Malang (East Java), to ensure the validity of the relationship between variables. This method is expected to provide a deeper understanding of the dynamics affecting financial literacy in Indonesia.

RESULT AND DISCUSSION

Research Results

Table 1. Reliability Tes Results

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Powerlessness	**0.949**	**0.951**	**0.953**	**0.504**
Environmental Helplessness	**1.000**	**1.000**	**1.000**	**1.000**
Cognition	**0.910**	**0.912**	**0.930**	**0.690**
Environmental Cognition	**1.000**	**1.000**	**1.000**	**1.000**
Milieu	**0.896**	**0.900**	**0.919**	**0.619**
Literacy	**0.934**	**0.942**	**0.943**	**0.529**

Reliability tests are performed to assess the internal consistency of the various constructs measured. Based on the analysis conducted, all constructs showed excellent reliability values, with Cronbach's Alpha, rho_A, and Composite Reliability values exceeding recommended thresholds. Notably, the 'Powerlessness' construct recorded Cronbach's Alpha value of 0.949, rho_A of 0.951, Composite Reliability of 0.953, and Average Variance Extracted (AVE) of 0.504, indicating sufficient convergent validity. Meanwhile, the 'Cognition' and 'Environmental' constructs also showed high reliability with values approaching or exceeding 0.9 on all reliability measurements, as well as an AVE of more than 0.5, indicating a good level of explanation of variance by those constructs.

The Environmental Powerlessness and Environmental Cognition constructs give perfect results with a value of 1,000 for all measurements, including AVE. Although this indicates a very high internal consistency, the items in this construct may be too homogeneous. Therefore, further review is needed to ensure that there are no methodological issues underlying this extreme homogeneity.

The 'Literacy' construct also shows excellent reliability, with values showing good convergent consistency and validity. Overall, the results of this reliability test confirm that the measurement instruments in this study are reliable and valid for measuring the variables studied, with special notes on some perfect values that may require more in-depth investigation.

Table 2 Hypothesis Test Results

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Helplessness -> Literacy	-0.251	-0.258	0.046	5.464	**0.000**
Environmental Powerlessness -> Literacy	0.104	0.111	0.032	3.237	**0.001**
Cognition -> Literacy	0.369	0.366	0.047	7.907	**0.000**
Cognition of the Environment -> Literacy	-0.050	-0.045	0.042	1.181	**0.238**
Environment -> Literacy	0.289	0.285	0.055	5.227	**0.000**

In this study, hypothesis testing was conducted to evaluate the influence between variables in the inner model or structural model. Based on the analysis of the path coefficients, several significant findings can be identified. First, the variable 'Helplessness' had a significant negative influence on 'Literacy,' with a path coefficient of -0.251, a sample mean value of -0.258, a standard deviation of 0.046, and a t-statistic value of 5.464 indicating statistical significance (p-value = 0.000). Second, Environmental Helplessness showed a significant favorable influence on 'Literacy' with a path coefficient of 0.104, a sample mean value of 0.111, a standard deviation of 0.032, and a t-statistic value of 3.237 (p-value = 0.001).

Furthermore, Cognition makes a substantial positive contribution to 'Literacy,' which is indicated by a path coefficient of 0.369, a sample mean value of 0.366, a standard deviation of 0.047, and a very high t-statistic value of 7.907 (p-value = 0.000). On the other hand, Environmental Cognition showed no significant effect on 'Literacy,' with a path coefficient of -0.050, a sample mean value of -0.045, a standard deviation of 0.042, and a t-statistic value of 1.181 (p-value = 0.238). Finally, 'Environment' proved to have a positive and significant effect on 'Literacy,' with a path coefficient of 0.289, a sample mean value of 0.285, a standard deviation of 0.055, and a t-statistic value of 5.227 (p-value = 0.000).

It confirms that except for Environmental Cognition, all other variables significantly influence Literacy, with t-statistic values greater than 1.960 and significance values less than 0.05. These results provide a deep understanding of the dynamics affecting literacy in the context under study, which can be the basis for more effective interventions and policy development in the future.

Table 3 R Squared Results

	R Square	
	R Square	**R Square Adjusted**
Literasi	0.609	0.604

In the regression analysis conducted on this Partial Least Squares (PLS) model, the R-squared (R^2) value for the dependent variable 'Literacy' is 0.609, while the adjusted R-squared value is 0.604. This shows that the independent variables tested in this model are able to explain about 60.9% of the variance of the 'Literacy' variable. Meanwhile, 39.1% of the 'Literacy' variance was influenced by other factors not included in this model. These results indicate that the model built has an excellent ability to explain and predict the influence of independent factors on literacy, showing the relevance and effectiveness of the selected independent variable in the context studied.

DISCUSSION

The Effect Of Powerlessness On Financial Literacy

Powerlessness has a significant negative influence on financial literacy. This shows that the higher the level of helplessness felt by individuals, the lower their financial literacy abilities. This could be interpreted as individuals who feel powerless and less motivated to make informed financial decisions or may need more confidence in their ability to manage finances. The negative association between helplessness and financial literacy is consistent with studies showing that low financial literacy can result in negative consequences for individuals and overall population well-being (Mpaata et al., 2023). It emphasizes the importance of improving financial literacy as a preventive measure against personal financial instability.

Other studies have found that low financial literacy is spread across different demographics and countries, with indications that risk literacy is often the least understood area (Lusardi & Messy, 2023). This suggests that effective financial education programs should target an increased understanding of risk and risk diversification to improve more informed financial decision-making capabilities.

In addition, there is evidence to suggest that financial literacy training can be practical in addressing financial exclusion, mainly through programs designed explicitly for marginalized populations such as women in developing countries (Choudhary & Jain, 2023). These programs not only increase financial knowledge but also help in women's economic empowerment, which in turn can improve their socioeconomic well-being.

These studies support the findings and guide the development of more effective interventions that address helplessness and improve financial literacy broadly. This is important for formulating policies and practices aimed at reducing financial helplessness and improving individuals' quality of life.

The Contribution Of Cognition To Financial Literacy

Cognition has a strong positive influence on financial literacy, which is consistent with many psychological theories that emphasize the importance of cognitive abilities in decision-making and information processing. Individuals with high levels of Cognition may have a better ability to understand and use financial information.

The positive relationship between Cognition and financial literacy is consistent with recent studies showing that cognitive abilities, such as numeracy and decision-making ability, strongly influence financial literacy. Studies find that individuals with higher cognitive abilities tend to make more informed and effective financial decisions (Lučić et al., 2023). This research supports the idea that financial literacy can be improved through interventions that strengthen cognitive abilities, offering guidance for the creation of more effective financial education programs.

Increasing recognition of the relationship between cognitive ability and financial literacy prompted researchers to explore various aspects and factors that influence this relationship. Teaching about basic financial principles, such as interest and time calculation, significantly improves financial literacy, especially for those with lower initial numeracy skills (Sari, 2024). This indicates that educational interventions tailored to improve Cognition can effectively improve financial literacy.

In addition, financial literacy is important not only for investment decisions and debt management but also for quality of life and long-term financial security. A study shows that higher financial literacy correlates with better retirement planning and more efficient personal financial management, which shows a direct impact of cognitive ability on an individual's ability to better plan for their financial future (Mustafa et al., 2023).

Lastly, the impact of improved financial literacy through Cognition is also seen in the decrease in financial helplessness among individuals. Another study showed that individuals with higher financial literacy tended to feel more empowered and experience lower financial stress, suggesting a positive association between improved Cognition and financial well-being (Kumar et al., 2023). It emphasizes the importance of financial literacy programs that not only focus on knowledge but also cognitive improvement in general.

Social Environment Moderation

An interesting finding from this study is the positive role of 'Environment' and ' Environmental Helplessness on financial literacy. This suggests that positive social support or environmental contexts can mitigate the adverse effects of helplessness and even strengthen financial literacy. However, Environmental Cognition showed no significant effect, which could indicate that environmental factors do not necessarily amplify cognitive effects.

The positive role of the social environment on financial literacy is particularly relevant to recent studies exploring how social factors influence financial behavior, especially among youth. Research by Mabkhot & Talat (2023) suggests that social influence from parents and peers can improve financial literacy, further influencing saving behavior among Saudi youth. Interestingly, in that context, self-control moderates negatively between financial literacy and saving behavior, suggesting that higher levels of self-control might reduce the propensity to save despite having high financial literacy (Goyal et al., 2023).

Furthermore, research by Xiao et al. (2022) explores how financial literacy can strengthen digital entrepreneurial will and behavior. Results show that financial literacy increases digital entrepreneurial willingness and behavior, with financial inclusion acting as a mediator in this relationship and digital literacy as a moderator strengthening the relationship between financial literacy and entrepreneurial will.

Both studies confirm that other social and supportive environments such as digital literacy and financial inclusion can play an essential role in improving financial literacy and related financial behaviors. This demonstrates the importance of considering moderating factors in financial literacy interventions to maximize their effectiveness, especially in the context of policy development or financial education programs.

CONCLUSION

This research successfully revealed several essential factors that affect financial literacy among Indonesians. First, the need for Cognition has a positive and significant contribution to improving financial literacy. This suggests that the higher the need for individuals to process information and make logical decisions, the better their ability to manage finances. Second, feelings of Powerlessness have been shown to negatively impact financial literacy, asserting that psychological factors such as a sense of Powerlessness can hinder a person's ability to make effective financial decisions.

Furthermore, moderation of the social environment towards the relationship between feelings of Powerlessness and financial literacy showed a positive influence. This indicates that good social support can reduce the negative impact of helplessness on financial literacy. Nonetheless, moderation of the social environment on cognition needs showed no significant effect, which suggests that environmental factors may not necessarily amplify the impact of Cognition needs on financial literacy. Lastly, environmental variables, in general, have a significant favorable influence on financial literacy, which confirms the importance of supportive environmental conditions in facilitating individuals' financial capabilities. The results of this study provide important insights for policymakers and practitioners in finance and education to design effective strategies for improving financial literacy, taking into account cognitive factors and social environment as crucial components.

SUGGESTION

1. Development of Financial Education Programs: Governments and educational institutions are advised to develop and implement financial education programs that take into account individual Cognition needs. This program should improve individuals' ability to process financial information and make informed decisions so as to strengthen their financial literacy.
2. Psychological Intervention: Given the negative impact of feelings of Powerlessness on financial literacy, it is advisable to integrate psychological support services into financial education programs. These services can take the form of counseling or workshops that aim to reduce feelings of Powerlessness and increase individual confidence in managing finances.
3. Strengthening Social Environmental Support: Community institutions and social organizations need to play a more active role in providing social support for individuals, especially in the context of financial literacy. This support could take the form of providing resources, information, or training that assist individuals in dealing with financial challenges more effectively.
4. Advanced Research: To deepen the understanding of the dynamics between cognitive, psychological, and environmental factors in financial literacy, further research with a broader sample and more diversified methods is recommended. This will help identify more specific and effective interventions appropriate to diverse social and cultural conditions.
5. Development of Environmentally-Focused Policies: Governments and relevant institutions should consider developing policies that support the creation of an environment conducive to financial literacy. These policies include facilitating access to financial services, improving financial education infrastructure, and promoting financial inclusion.

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