

## CHAPTER V

### CONCLUSION AND RECOMMENDATION

#### 5.1 Introduction

The objective of this chapter is to offer a comprehensive comprehension of the overall depiction of the investigation and a synopsis of said investigation. This chapter presents a survey of the study, a condensation of the discoveries, the study's contribution, constraints, suggestions for subsequent research, and a summary of the chapter.

#### 5.2 Overview of Study

**Table 5. 1** Summary of the Hypotheses Testing

Hypothesis	Accepted (Sig < 0.01)	Rejected (Sig > 0.01)
<b>H<sub>1</sub></b> There is a significant positive relationship between financial literacy and financial inclusion.	✓	
<b>H<sub>2</sub></b> There is a significant positive relationship between financial technology and financial inclusion	✓	

#### 5.3 Summary of Research Findings

In this study, there are two (2) research questions that are discussed in this chapter. The researcher explained the justification of the results in this chapter.

### **5.3.1 The Effect of Financial Literacy on Student Financial Inclusion in State Polytechnic of Sriwijaya**

The first question of this study is "What is the relationship between financial literacy and student financial inclusion in State Polytechnic of Sriwijaya?". According to the research question, Hypothesis 1 ( $H_1$ ) was formed to determine the relationship between financial literacy and student financial inclusion in State Polytechnic of Sriwijaya. After conducting the analysis, the result of the research finding found that financial literacy is accepted and has a significant and positive relationship with student financial inclusion in State Polytechnic of Sriwijaya.

This outcome resembles findings from the investigation carried out by Yan Shen, Wenxiu Hu<sup>1</sup>, and C. James Hueng (2018), asserting that financial literacy bears a substantial and favorable correlation with financial inclusion.

### **5.3.2 The Effect of Financial Technology on Student Financial Inclusion in State Polytechnic of Sriwijaya**

The second question of this study is as follows "What is the relationship between financial technology and student financial inclusion in State Polytechnic of Sriwijaya?". According to the research question, Hypothesis 2 ( $H_2$ ) The formulated hypothesis aims to ascertain the correlation between financial technology and the inclusion of students in financial activities within the State Polytechnic of Sriwijaya. Following the analytical investigation, the research findings indicate that financial technology is embraced and exhibits a noteworthy and favorable association with student financial inclusion at the State Polytechnic of Sriwijaya.

This outcome mirrors findings from the study carried out by Yan Shen, Wenxiu Hu<sup>1</sup>, and C. James Hueng (2018), which affirms that there

exists a substantial and favorable correlation between financial technology and financial inclusion.

#### **5.4 Contribution of Study**

The contribution of this study consist of body of knowledge, explanation the relationship of theory that used in this study, and practical using of this study.

##### **5.4.1 Body of Knowledge**

An analysis of this research paper by many academics who have produced many studies of financial inclusion state that there is no significant differences between it and any prior research papers on the same topic. This research paper examines the significance of the relationship between financial literacy, financial technology, and financial inclusion. In addition, this study provides a literature review and references that can be utilized by future researchers who will have relevant research topics.

##### **5.4.2 Theory**

Through the bolstering of the financial literacy framework pertaining to financial inclusion as postulated by Ozili (2020), the principal aim of this investigative inquiry is to assess the impact of financial literacy on student financial inclusion. The Financial Literacy Theory concentrates on the manner in which financial literacy augments financial inclusion via educational means. This theory posits that heightened financial literacy will enhance individuals' propensity to engage in formal financial sector involvement.

According to Ozili (2020), the financial literacy theory confers numerous advantages. Financial literacy has the potential to engender awareness in individuals concerning the array of financial commodities and services at their disposal. Through augmented financial literacy, individuals can capitalize on other perks within the formal financial

sector, such as investment and mortgage offerings. Furthermore, financial literacy possesses the capacity to foster self-reliance and stability in personal finances by facilitating the differentiation between necessities and desires, the formulation and supervision of a budget, the cultivation of savings for timely bill settlement, and the formulation of retirement plans. This theory's assertions bear resemblance to the contentions of Yan Shen, Wenxiu Hu, and C. James Hueng (2018), who posit that financial literacy imparts financial knowledge and proficiencies pivotal in guiding consumer financial decisions.

Per Yan Shen, Wenxiu Hu, and C. James Hueng's findings in 2018, the emergence of financial technology presents the capacity to extend the accessibility of financial services to a broader spectrum of consumers and businesses, thereby fostering financial inclusivity and enhancing the cost-effectiveness of financial services. The provision of digital financial products introduces a novel approach to augmenting financial inclusiveness.

Through the augmentation of the United Nations Capital Development Fund's (2018) Theory of Change, emphasis is placed on financial technology's distinct concentration on the function it undertakes in expediting the utilization of financial services. This theory posits that products and services have the capacity to access clientele, who will subsequently employ them to enhance their quality of life and mitigate their financial fragility.

### **5.4.3 Practical**

The primary objectives of this investigation involve augmenting the existing understanding of financial literacy and financial technology's impact on student financial inclusion. Moreover, this study serves as a valuable resource and framework for future researchers examining the influence of financial literacy and financial technology on student financial inclusion.

For the government, this study will have a significant is to be used as a contribution of thought in the form of suggestions and additional information to improve the level of financial literacy in society and financial technology organized by financial service institutions. It will also serve as material for consideration for the subsequent implementation of financial literacy and financial technology which can later improve quality so that the goal of Indonesia's financial inclusion index increases.

## **5.5 Limitation**

The limitation of this study is the sample size which only comes from the student population at the State Polytechnic of Sriwijaya. The limitations of this research are also due to the difficulty of access to request a direct statement regarding the total number of students in State Polytechnic of Sriwijaya. Because of this, the researcher took the total population from the Higher Education System website. State Polytechnic of Sriwijaya was chosen by researchers because it was a place where researchers studied previously so that they had easy access in collecting questionnaire data later.

Based on reporting data from the Higher Education Database 2022, the total number of students at the State Polytechnic of Sriwijaya is 9,756 students. According to Krejcie and Morgan Table, the sample size to be taken is 368 students at the Sriwijaya State Polytechnic. According to Sekaran & Bougie (2016), there are some factors affecting decisions on sample size which one of the factor is time constraints.

In this study, time constraints becomes the factor that affecting decisions on sample size, which is the researcher got 114 respondents for two weeks. It means that 30.9% of respondents give the feedback. According to Roscoe (1975) sited by Sekaran & Bougie (2016), sample sizes larger than 30 and less than 500 are appropriate for most research.

A minimum sample size of 30 for each category is necessary. A sample size greater than 30 and less than 500 is suitable for most behavioral studies, while a sample size larger than 500 may lead to a Type II error.

## **5.6 Future Research**

This study will have a significant to future researcher. The recommendation for future research will be necessary to develop the population, sample, and diverse variables, as well as to examine other indicators enhanced research methods. The future researchers can make this research a guide and reference in making research.

The findings of the study imply that to increase financial inclusion, more efforts should be implemented especially in increasing financial literacy and financial technology. On the other hand, the government or related parties should facilitate financial literacy and update financial technology regularly so that later the financial inclusion index automatically increase and make human resources, especially students, more literate in the application of financial knowledge.

## **5.7 Chapter Summary**

According to the result of this study, financial literacy positively and significantly affect financial inclusion. Student's ability to make financial decisions may be aided by financial literacy, which offers financial knowledge and skills. To utilise digital financial products and effectively manage risks, a certain amount of financial literacy is necessary. Policies to promote financial literacy must be developed by the government and other relevant parties. To develop student's financial awareness, it is essential to improve their financial literacy as part of the existing educational systems.

Conclusively, the results of study showed that financial technology and financial inclusion were significantly related. The usage of digital financial product creates the potential to make financial services

available to a wider range of students, promoting financial inclusion and the affordability of financial services. Financial technology offers the way to increasing the financial inclusion.

There is limited literature on financial technology usage studies and the theoretical and empirical support on it. More extensive research may need to be conducted to get a better picture of its future outcomes.