

The Effect Of Economic Literacy And Parents Socio-Economic Status On Entrepreneurial Intention In Economic Education Student Universitas Negeri Makassar

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Abstract: This study aims to determine the effect of economic literacy and parents' socioeconomic status on entrepreneurial intention in Department of Economics Education, Faculty of Economics, Universitas Negeri Makassar. This research uses a quantitative research approach. Data collection techniques carried out by observation, interviews, documentation and questionnaires. The population in this study was 362 students of the Department of Economics Education class of 2016 - 2018, with a total sample of 66 students. The data analysis technique used is multiple linear regression. The results showed that partially, economic literacy had a positive and significant effect on entrepreneurial intention and parents' socioeconomic status had a positive and significant effect on entrepreneurial intention in students of the Department of Economics Education, Faculty of Economics, Universitas Negeri Makassar, while simultaneously economic literacy and parental socioeconomic status influenced positive and significant interest in entrepreneurial intention in students of the Department of Economics Education, Faculty of Economics, Universitas Negeri Makassar.

Index Terms: Economic Literacy, Parents Socio Status, Parents Economic Status, Entrepreneurial Intention, Collage Student, Makassar City.

1 INTRODUCTION

After graduating from college a bachelor is required to have competitive abilities in all fields such as forming high motivation and creativity. Basically, everyone is born in the world with creative potential (Karwowski et al., 2016). With the number of graduates becoming matters rather than creating jobs, the number of entrepreneurs in Indonesia has not increased significantly. Students find it difficult to start entrepreneurship because they are not taught and are stimulated to try on their own (Lee et al., 2011). This is also supported by the cultural environment of the community and family since long time ago always wanted to be an employee, on the other hand most parents do not have good entrepreneurial knowledge and experience. Another factor is the difficulty of getting capital to start a business. The government is currently working with the university to overcome problems related to the lack of entrepreneurial knowledge by entering one of the entrepreneurship courses in semester 3 such as Makassar State University. Entrepreneurship learning in college will educate students in making economic decisions as well as ways of thinking or knowing economic concepts so that it is expected to be able to create economic literacy (Roudaki, 2009; Zhou & Xu, 2012; Lackeus, 2015; Hasan et al., 2019; Hasan et al., 2019).

The socioeconomic situation of the family certainly influences the development of children, with an adequate economy, the material environment faced by children in the wider family, he gets wider opportunities to develop various skills that cannot be developed if there is no infrastructure (Zellweger et al., 2011).

Parents can devote deeper attention to the future of their children if they are not burdened with problems of primary needs in family life. The phenomenon that occurs in students of the Economic Education Study Program at Makassar State University who have programmed courses related to entrepreneurship, most of the students are interested and want to open a business. The obstacle they face is that the capital that will be used to open a business is very minimal because their parents' socioeconomic status varies, some are from able families and some are from poor families. The phenomenon shows that there are some students who have entered the business world because they already have basic knowledge about managing a business, but even so they are still doubtful about the risk of failure in the future because they still lack experience and knowledge. The socioeconomic status of parents both in terms of science, wealth and respect for students varies, but most students tend to have an interest in entrepreneurship. Factors affecting a person's economic status are; Education, employment, economic conditions, cultural background, and income (Friedman, 2004). Smart economic decisions are indicated from the ability to mix the resources they have to create benefits. For the creation of value formed in behavior economic literacy is needed. Mathews (1999) states that economic literacy is the ability of individuals to recognize and use economic concepts and ways of thinking economically to improve and obtain prosperity. Based on the explanation above, the interest in entrepreneurship is influenced by parents' socioeconomic status and economic literacy. The socioeconomic status of parents relates to the role of the family environment being able to teach and stimulate a student to work alone, while economic literacy is related to making intelligent economic decisions from a choice. Based on this, the focus of this article study is related to the effect of economic literacy on the entrepreneurial interest of students of the Makassar State University Economic Education Study Program and the

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influence of parents' socioeconomic status on the entrepreneurial interest of students of the Makassar State University Economic Education Study Program.

2 LITERATURE REVIEW

2.1 Economy Literacy and Entrepreneurial Intention

McEachern (2001) defines economics as the study of the behavior of individuals and society in making choices about scarce resources in an effort to improve their quality of life. Thus, the emergence of economics is based on a limited amount of resources with unlimited needs and desires. In principle, economic literacy is a tool to achieve goals, it's just that in reality not everyone has high economic literacy so that pursuing opportunities for prosperity. One indicator is to be an intelligent person in managing economic resources in order to achieve prosperity. More details will be seen from surgery using perspectives such as building assets, managing debt, saving and so on (Jappelli, 2010; Hasan, 2018). Pandey and Bhattacharya (2012) suggested that economic literacy is the ability to use economic concepts to make decisions about income, savings, spending and allocating money. Economic literacy is the ability to use basic economic concepts and critical thinking in economic decision making. Economic literacy can make a person smart in managing economic resources to achieve prosperity by applying the economic concept. In addition, economic literacy becomes very important to open knowledge about the costs or benefits of an item in economic activity. Lewin (2011) states that one of the most important areas of literacy in the information age is economic literacy, because with the awareness and understanding of a good economy, it can make people survive and develop a variety of businesses in the midst of difficult economic life so it is hoped that later it can increase one's level of creativity and in the end also be able to develop entrepreneurial interests. Thus, the hypothesis proposed is:

H1: Economic literacy has a positive and significant effect on entrepreneurial interest.

2.2 Parents Socio – Economy Status and Entrepreneurial Intention

Socio-economic status is one's position in a series of hierarchical structured strata which is a weighted unity in matters that become values in society that are usually known as privileges in the form of wealth, as well as income and prestige in the form of status, lifestyle and power. High and low socioeconomic status of a person is determined by education, employment, and income (Chrisman, 2002; Musa & Hasan, 2018). Parents or family environment lay the foundation for children's preparation so that in the future to become effective workers, in educating children, parents must teach their children to motivate themselves to work hard, given the opportunity to be responsible for what they do. Parent's Social Economic Status is the position or position of a family in a human group that is determined by the type of economic activity, income, level of education, type of residence and position in the organization or can be said to be the position of the family group in the community with regard to others in the sense of social environment. , his achievements, and rights and obligations in relation to resources (Chrisman, 2002; Hasan, 2018). Support from parents is needed in supporting entrepreneurship education and certainly has the effect of

strengthening the interest in entrepreneurship for students. The socioeconomic status is the position or position of a person in society, it is also the condition of a person or a community in terms of the level of education, income and employment that is closely related to entrepreneurial interest (Zellweger et al., 2011). Thus, the hypothesis proposes is:

H2: Parents' socioeconomic status has a positive and significant effect on entrepreneurial interest.

3 RESEARCH METHODOLOGY

The approach used in this study is a quantitative approach that uses in-depth data analysis in the form of numbers. The subjects in this study were active students in the Economic Education Study Program at the Faculty of Economics, Makassar State University 2016-2018 who had graduated in entrepreneurship courses. In this study, the independent variable is economic literacy and parents' socioeconomic status, while the dependent variable is entrepreneurial interest. Measurement of variables in this study was measured using a Likert scale. The population in this study were active students of the Economic Education Study Program at the Faculty of Economics, Makassar State University in the 2016-2018 class of 362 students. The sampling technique in this study is using probability sampling technique, with a total sample of 66 students. Testing the hypothesis in this study using the t test and F test with multiple regression analysis techniques using the help of SPSS Version 21 program.

4 RESULT AND DISCUSSION

Based on the results of data processing through the SPSS 21.0 program, the regression equation for this study is

$$Y = 8,265 + 0,499X_1 + 0,029X_2 + e$$

(1)

Based on these equations, it is seen that both economic literacy, as well as the socioeconomic status of parents have a positive effect on entrepreneurial interest. The results of testing the hypothesis, both simultaneously and partially can be seen in the following table.

TABLE 1

SIMULTANEOUS HYPOTHESIS TESTING

	F	F table	Conclusion
Simultaneous Test	35,162	3,14	H0 rejected H1 accepted

TABLE 2

PARTIAL HYPOTHESIS TESTING

Variabel	t	T table	Sig.	Conclusion
Economic Literacy	8,314	1,998	0,01	H0 rejected H1 accepted
Parents Socio – Economy Status	2,592	1,998	0,03	H0 rejected H1 accepted

From the results of simultaneous testing, the calculated F value was 35,162 with a significance value of 0,000. This significance value is smaller than the α value of 0,05, with an F table value of 3,14, so it can be concluded that economic literacy and parental socioeconomic status simultaneously have a significant effect on student entrepreneurial interest. These findings indicate that economic literacy and social and

economic status of parents influence the entrepreneurial interest of students of Economic Education, Faculty of Economics, Makassar State University simultaneously or together. Based on the results of data processing, the value of t arithmetic for the economic literacy variable is 8.314 with a significance of 0.001, because the significance value is smaller than 0.05 and the value of $t > t$ table (8,314 > 1,998), it can be concluded that economic literacy has a positive and significant effect on student entrepreneurial interest. This meeting indicated that the higher the economic literacy owned by students, the higher the interest in student entrepreneurship. Adequate economic literacy is needed and will have an impact that can spur interest in entrepreneurship. Economic concepts and ways of thinking economically will always be used to improve student welfare. Interest in entrepreneurship is one step that can get the welfare (Chen & Volpe, 1998; Zainal et al., 2018; Hasan, 2019). Other findings of this study indicate that the calculated t value for the variable socioeconomic status of parents is equal to 2,592 with a significance of 0,03, because the significance value is smaller than 0,05 and the value of $t > t$ table (2.592 > 1.998), it can be concluded that parents' socioeconomic status has a positive and significant effect on student entrepreneurial interest. This means that the higher the socioeconomic status of the student's parents, the higher the interest in student entrepreneurship. The socioeconomic status of parents both in terms of science and power, wealth and respect are different, but most students have an interest in entrepreneurship (Feist & Feist, 2009).

5 CONCLUSION

The findings of this study indicate that economic literacy and the socioeconomic status of parents simultaneously have a significant effect on student entrepreneurial interest. Partially there is a positive and significant influence between economic literacy on student entrepreneurial interest as seen from indicators able to analyze changes in demand and supply of goods, manage the role of entrepreneurship, and be able to allocate individual income. It is known that the wider economic knowledge of students will affect the interest in entrepreneurship. The results of this study also indicate that there is a positive and significant influence between the socioeconomic status of parents on student entrepreneurial interest in terms of the level of education, employment and parents' income. This shows that the higher involvement of parents in supporting their children will make it easier for students to achieve these desires, such as becoming an entrepreneur.

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