

## CHAPTER V

### CONCLUSION AND RECOMMENDATION

#### 5.1 Conclusion

Based on a series of research findings that have been conducted and discussed, it can be concluded that:

1. Level of digital financial literacy in West Sumatra is still Less-literate. Based on the results obtained, the people of West Sumatra only understand the knowledge and use of e-payment products and services, but do not understand the use of asset management, debt alternatives, digital assurance products, and rights and protection of digital financial providers. E-payment is the most familiar product and service for the people of West Sumatra nowadays. Understanding of digital payment is 79.9% well-literate than other fintech products, experience also gets the same results on the same product. This is in line with the results of the awareness and skills category, less-literate is the result of the understanding and experience of the people of West Sumatra towards digital products, the level of concern about the risk is higher. In addition, digital products that are often used are digital payment and it reflect that the people of West Sumatra will tend to have non-consumptive behavior and have an impact on their good skills of asset management and financial activities.
2. There is a significant influence between social-economic factors on digital financial literacy in the people of West Sumatra. The results of this study indicate that the people of West Sumatra tend to think that support from social-economic factors is needed by an individual to support a good level of digital financial literacy. The results of the study show that the most valid indicato from social economicr factors is age by cross-loading of 0.905. From the data obtained, the age factor is the most influential factor for DFL. The more productive a person age, the better the individual's understanding of digital financial literacy. If a person's age is too young or too early to have an

understanding beyond that age's ability, his understanding of DFL is also not sufficient. Besides that, if the age is too old, then the thinking power for people of old age is decreasing, and understanding of DFL is also not good for that age category. It can be concluded that with good social-economic factors, it can increase public understanding of digital financial literacy.

3. There is a positive and significant influence between digital financial literacy on financial wellbeing in the people of West Sumatra. The people of West Sumatra believe that to improve their wellbeing, they can be supported by having an understanding of digital financial literacy. Good financial wellbeing is a provision to be better prepared to face financial futures and financial disasters. It reflect that a good public understanding of digital financial literacy can improve the financial wellbeing of the community.

## 5.2 Implication.

Indonesia is a country that has a low level of digital financial literacy based on S&P's Global Financial Literacy Survey, lower than several countries in the Asian region. This study aims to add insight into the application of digital financial literacy and its relationship with financial well-being. An individual must begin to be aware of digital financial literacy to have good financial wellbeing that is useful for the present and the future without having to worry if there will be a financial disaster.

The results of this study provide spesific information for the people of West Sumatra who want to know by detail the management, use, and planning of financial especially digital-based which will be widely used in the future. Ways to develop knowledge of financial digital literacy can be obtained from training and learning from various widely available sources.

In addition, this research can also be useful for students who want to develop their understanding of digital financial literacy, that their financial readiness can be realized from an early age which will have a better impact on future finances. This research is also useful for lecturers as teaching staff who can transfer knowledge about digital financial literacy and financial wellbeing for students of the West Sumatra region. In addition, this research is also useful for institutions that are developing in the West Sumatra region to develop digital financial literacy training for members of their institutions.

### **5.3 Limitation**

Like research in general, this study also has several shortcomings:

1. This study doesn't consider other social-economic factors that affect digital financial literacy other than age, educational background, and income.
2. The coverage area in this study is limited and dominated by respondents in big cities in West Sumatra, which have not been able to accurately reflect the level of digital financial literacy for all people in West Sumatra due to limited access.
3. The number of respondents in this study is still low because they only rely on data collection that focuses on online questionnaires which should be able to increase if collect data through offline questionnaires for people who do not access it.

### **5.4 Recommendation**

Based on the shortcomings that have been mentioned, it is recommended for further researchers to:

1. It would be better if the next researcher examined the influence of other social-economic factors on digital financial literacy in the people of West Sumatra such as gender, investment, work experience, educational field background, etc. It can be known whether digital financial literacy can be

influenced by all factors in the social economy. This can be the basis for more complete and accurate research.

2. It is better if the next researcher covers the entire community of West Sumatra, especially the remote parts that are not covered by previous research.
3. If the next researcher will conduct similar research, it is better if a variety of questionnaires can be added using offline and online. The sample reach is wider because it can help people who cannot access online to keep participating in the research.



