

FINANCIAL LITERACY AND ACCOUNTING LITERACY AMONG EX-MIGRANT WORKERS IN THE COMMUNITY

INFO ARTIKEL

Histori Artikel :

Tgl. Masuk : 20-03-2024

Tgl. Diterima : 30-07-2024

Tersedia Online : 30-09-2024

Keywords:

financial attitudes, financial planning, financial literacy, accounting literacy, ex-migrant workers.

ABSTRACT

The aim of this research is to examine and analyze the influence of financial attitudes and financial planning on financial literacy and accounting literacy. The methodology employed in this study is descriptive and verificative. The study population consists of ex-migrant workers in Kuningan Regency, totaling 282 individuals. Random sampling technique was used to select 133 participants. Analysis was conducted using Structural Equation Modeling (SEM), including validity and reliability tests of instruments (confirmatory factor analysis), testing the model of relationships between variables (path analysis), and forming an appropriate predictive model (structural model and regression analysis), utilizing LISREL software as the analytical tool. The research findings indicate that (1) financial attitudes do not have a significant influence on financial literacy, (2) financial planning has a positive influence on financial literacy, (3) financial attitudes have a negative influence on accounting literacy, (4) financial planning has a positive influence on accounting literacy, and (5) financial literacy has a positive influence on accounting literacy.

INTRODUCTION

In recent years, financial literacy and accounting literacy in Indonesia have remained relatively low (Hamzah, 2019). Various surveys and data have indicated insufficient understanding and knowledge regarding financial and accounting concepts among the Indonesian population (Dwi Martika et al., 2024). According to the OJK (Financial Services Authority) Financial Literacy Survey in 2021, the level of financial literacy in Indonesia is still relatively low, with approximately 36% of the population having low or very low levels of financial literacy. This is reflected in the lack of understanding of basic financial concepts such as personal financial management, retirement planning, investment, and financial risk management (Wiharno et al., 2022). Similarly, accounting literacy in

Indonesia also faces similar challenges. Lack of understanding of basic accounting concepts such as financial transaction recording, financial reporting, and proper bookkeeping is also a problem. This is evident from the low understanding of the importance of accurate financial records for both personal and business needs (Laga & Hizazi, 2023).

While many factors contribute to the low levels of financial literacy and accounting literacy in Indonesia, some include lack of formal education related to finance and accounting, limited access to adequate educational resources, and lack of awareness of the importance of financial literacy and accounting among the public (Dwi Martika et al., 2024). Efforts have been made by the government, financial institutions, and non-governmental organizations to improve financial literacy and accounting literacy in Indonesia.

(Pamella, 2022) Education programs, training, seminars, and awareness campaigns have been launched to enhance understanding and knowledge of finance and accounting among the public.

Ex-migrants in Indonesia, particularly in Kuningan Regency, often face significant challenges when returning to their homeland after working abroad. Their reintegration into society is often influenced by social, economic, and psychological issues. After spending time abroad, they often struggle to readjust to the social, cultural, and local values (Hamzah & Suhendar, 2020). Another challenge is the difficulty in finding jobs that match the skills acquired abroad. Additionally, financial management often becomes a barrier due to lack of financial literacy to manage their earned income. Furthermore, there are challenges in terms of psychological support to address the emotional impacts of significant life changes. To assist ex-migrants, holistic reintegration programs are needed, including skills training, financial education, psychological support, and assistance in finding employment or starting businesses. Moreover, public awareness of the struggles and needs of ex-migrants also needs to be heightened to promote inclusion and support for those returning home after working abroad (Hamzah, 2019).

Financial attitudes and financial planning of individuals significantly impact their levels of financial literacy and accounting literacy (Dwi Martika et al., 2024). Positive financial attitudes, including mindset and behavior towards money and finance, play a crucial role in building awareness of the importance of financial literacy and accounting. When individuals have a good attitude towards finance, such as awareness of the importance of wise financial management, discipline in planning expenditures, and trust in smart investments, they tend to be more open to acquiring knowledge about financial and accounting concepts (Park & Martin, 2022).

Additionally, structured financial planning also plays a crucial role (Nurhayati et al., 2023). The financial

planning process, including budgeting, setting financial goals, and strategies to achieve those goals, influences individuals' awareness of financial literacy and accounting literacy (Dwi Martika et al., 2024). Individuals who actively engage in financial planning tend to pay more attention to financial and accounting aspects related to their financial plans, including accurate financial transaction recording or understanding financial reports (Chen & Chen, 2023) and (Yeo et al., 2023).

The connection between positive financial attitudes and structured financial planning with financial literacy and accounting literacy underscores the importance of both aspects in enhancing individuals' understanding and skills in finance and accounting. With better understanding of financial and accounting concepts, individuals are expected to manage their personal or business finances more effectively and make smarter decisions regarding investments and overall financial management (Mutlu & Gökhan, 2022) and (Hamzah & Suhardi, 2019).

Research on financial literacy and accounting literacy has become an important topic in recent years. Many studies have highlighted the importance of financial literacy in understanding basic personal finance, investments, and risk management concepts. Additionally, accounting literacy has also been a focus of research efforts to improve understanding of financial transaction recording, proper bookkeeping, and financial report interpretation. However, research exploring the relationship between financial attitudes, financial planning, financial literacy, and accounting literacy, especially among ex-migrant populations, is still limited.

The purpose of this research is to identify and analyze the influence of financial attitudes and financial planning on the level of financial literacy and accounting literacy among ex-migrant communities. This research will explore whether positive financial attitudes and structured financial planning impact their

understanding of finance and accounting concepts after working abroad.

The novelty of this research lies in its focus on a specific population, namely ex-migrant communities. Previous research has tended to be more general in exploring financial literacy and accounting literacy among the general population or specific groups not originating from migrant worker backgrounds. By focusing on ex-migrant communities, this research is expected to provide deeper insights into the factors influencing the levels of financial literacy and accounting literacy among this group, as well as implications that can be used to support their specific financial and accounting understanding.

This research is highly urgent given the low levels of financial and accounting literacy in Indonesia, particularly among ex-migrant communities. According to the 2021 OJK survey, only about 36% of the population possesses adequate financial literacy, negatively impacting their understanding of basic concepts such as personal financial management, retirement planning, and investment. Ex-migrants, especially in Kuningan Regency, face significant challenges in social, economic, and psychological reintegration after working abroad, including difficulties readjusting to local values and managing their earned income. Additionally, they often lack support in financial and accounting education and adequate skills training. This study aims to identify the influence of positive financial attitudes and structured financial planning on financial and accounting literacy, providing deeper insights to support the enhancement of literacy among ex-migrants and address the barriers they face in reintegrating into society.

THEORETICAL FRAMEWORK AND HYPOTHESIS DEVELOPMENT

Theory of Planned Behavior

The Theory of Planned Behavior (TPB), developed by Icek Ajzen in 1985, predicts and understands human behavior through three primary factors: attitude

toward the behavior, subjective norms, and perceived behavioral control. Attitude involves the favorable or unfavorable evaluation of the behavior, subjective norms refer to social pressures to perform or not perform the behavior, and perceived behavioral control relates to the individual's perception of their ability to execute the behavior. These components together shape an individual's intention to perform a behavior, making TPB a comprehensive model for understanding motivational factors.

In the context of financial and accounting literacy among ex-migrant communities, TPB is highly relevant. Positive attitudes toward financial management, the influence of social expectations, and confidence in their ability to manage finances are crucial. If ex-migrants view financial literacy as beneficial, feel social support for learning these skills, and believe they can overcome obstacles, they are more likely to improve their financial and accounting literacy. Addressing these factors through targeted interventions can aid in their successful reintegration and financial stability (Ariyati et al., 2021).

Financial Literacy

Financial literacy, as defined by the Indonesian Financial Services Authority (OJK) in 2014, refers to the process of enhancing the knowledge, skills, and confidence of individuals to effectively manage their finances. OJK aims to empower consumers to make informed decisions regarding financial products and services, plan their finances wisely, and avoid risky investments. They classify the level of financial literacy among Indonesians into four categories: Well literate, Sufficient literate, Less literate, and Not literate, based on individuals' understanding of financial institutions, products, and services, as well as their ability to use them effectively.

Financial attitude and financial planning play crucial roles in shaping an individual's level of financial literacy (Dwi Martika et al., 2024). A positive financial attitude entails being proactive and

responsible in managing one's finances, while effective financial planning involves setting goals, budgeting, saving, and investing wisely. By cultivating a positive financial attitude and engaging in thoughtful financial planning, individuals are more likely to develop a deeper understanding of financial concepts and products. They become more adept at navigating the complexities of financial decisions, thereby enhancing their overall financial literacy. Conversely, individuals with poor financial attitudes or those who neglect financial planning may struggle to grasp fundamental financial principles and may be more susceptible to financial pitfalls. Therefore, fostering a positive financial mindset and incorporating sound financial planning practices are essential components in promoting greater financial literacy among individuals and communities (Purba et al., 2023) and (Bancoro, 2023).

In this context, financial attitude encompasses individuals' perspectives, preferences, and emotions regarding financial aspects in their lives. On the other hand, financial literacy comprises understanding and knowledge of financial concepts such as money management, investments, and financial planning. It is expected that individuals with positive financial attitudes, such as being proactive in financial management and readiness to learn about financial topics, are likely to have higher levels of financial literacy. Therefore, through this research, we aim to highlight the significance of financial attitudes in shaping individuals' financial literacy levels, with potential implications for the development of more effective financial education programs

H1: Financial attitude affects financial literacy

Individuals who actively engage in financial planning are expected to have higher levels of financial literacy compared to those who do not actively plan their finances. By systematically setting financial goals and allocating resources, individuals tend to gain a deeper understanding of financial concepts and develop the skills necessary to make informed financial decisions. Highlighting

the importance of financial planning in enhancing financial literacy underscores its potential implications for policymaking and the development of educational programs aimed at improving financial literacy among individuals.

H2: Financial planning affects financial literacy

The relationship between Financial Attitude and Financial Planning with Accounting Literacy

Accounting literacy encompasses understanding fundamental concepts crucial in managing financial information (Hamzah, 2019). This includes comprehension of the objectives and scope of accounting as well as types of financial statements such as balance sheets, income statements, and cash flow statements along with how to read and analyze them. This material also introduces basic accounting principles such as consistency, historical cost, fairness, and entity principles. Additionally, understanding financial transaction recording such as the definition of debits and credits, journal entry creation, and ledger posting are also integral parts of accounting literacy. Financial ratio analysis covering liquidity, profitability, solvency, and activity is an important tool for evaluating the financial health of entities. Accounting literacy material also highlights topics such as management accounting, taxation, applicable accounting regulations, and the importance of ethics in the accounting profession. Overall, a deep understanding of this material helps individuals or organizations manage financial information more effectively, support sound decision-making, and ensure compliance with applicable ethical standards and regulations. (Mahapatra et al., 2022), (Shih et al., 2022) and (Wutun et al., 2023)

Financial attitude plays a significant role in influencing accounting literacy. Individuals with positive financial attitudes, such as being proactive in managing finances and having a willingness to learn about financial matters, are likely to have higher levels of accounting literacy. This is because a

positive financial attitude fosters curiosity and motivation to understand financial concepts, including those related to accounting principles and practices. In contrast, individuals with negative attitudes towards finances may be less inclined to engage with accounting concepts, resulting in lower levels of accounting literacy. Therefore, fostering a positive financial attitude is essential for enhancing accounting literacy among individuals.

H3: Financial attitude affects accounting literacy

Financial planning has a direct impact on accounting literacy. When individuals engage in financial planning activities, such as budgeting, tracking expenses, and setting financial goals, they inherently develop a deeper understanding of accounting principles and practices. Through the process of planning and managing their finances effectively, individuals become more familiar with basic accounting concepts, such as income, expenses, assets, and liabilities. This hands-on experience enhances their accounting literacy by providing real-world applications and context for accounting principles. In essence, active involvement in financial planning serves as a practical pathway to improving accounting literacy among individuals.

H4: Financial planning affects accounting literacy

The Relationship between Financial Literacy and Accounting Literacy

Ex-migrants refer to individuals who have worked abroad for a certain period and then returned to their home country. They are people who have lived and worked in another country, usually to seek better job opportunities and income. Ex-migrants can have various backgrounds and reasons for working abroad, including improving their family's financial conditions, seeking new experiences, or avoiding political instability in their home country. After their work period abroad ends, ex-migrants face certain challenges such as readjusting to

the social, cultural, and economic environment in their home country. They may encounter difficulties in adapting to these changes, both psychologically, socially, and economically. The process of reintegrating into society can be challenging, especially if they experience difficulty in finding employment, accessing healthcare services, or feeling isolated from their social environment. Government organizations, non-governmental organizations, and international bodies are often involved in providing support to ex-migrants, both in terms of reintegrating into society and providing information, training, or other assistance. These efforts aim to help ex-migrants readjust to life in their home country, strengthen their skills, and support them in facing changes and challenges after working abroad. (Pambudianti et al., 2020), (Gatti, 2022) and (Molina-García et al., 2023).

H5: Financial literacy affects accounting literacy

RESEARCH METHODOLOGY

This study employs a quantitative approach, focusing on former migrant workers in Kuningan Regency. Primary quantitative data collected through questionnaires distributed to eligible ex-migrant community members are analyzed. The questionnaire, utilizing a 4-point Likert scale, aims to assess financial literacy and accounting literacy. With a population of 282 respondents, random sampling selects 133 participants for this study. Multiple linear regression, facilitated by LISREL, is used for data analysis. Structural Equation Modeling (SEM) is applied to estimate the measurement and structural model. The SEM process involves Model Specification, Identification, Estimation, Fit Evaluation, and, if needed, Respecification. These stages outline the comprehensive analysis procedure. The conceptual framework of the study is depicted in a figure, guiding the research process.

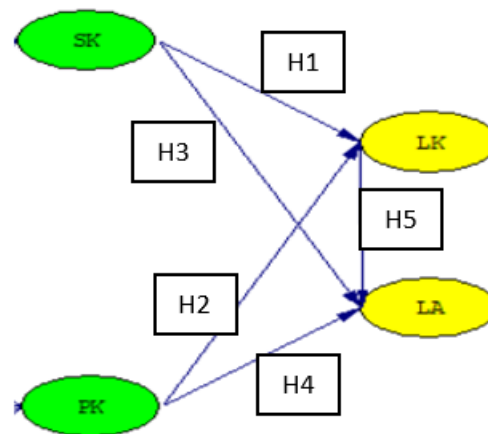


Figure 1. Conceptual Framework Model
Source: Processed data, 2023

Table 1 : Operationalization of variables

Variable	Definition	Indicator
Financial Attitude	Financial attitude refers to an individual's tendency to respond to and deal with financial situations and their behavior towards managing personal finances.	<ul style="list-style-type: none"> ▪ Money Management ▪ Debt Management ▪ Expense Management ▪ Risk Management
Financial Planning	Financial planning, according to the Financial Planning Standards Board Indonesia (FPSB Indonesia), is a process to achieve one's life goals through integrated and planned financial management.	<ul style="list-style-type: none"> ▪ Income and Expenses ▪ Long-term Planning ▪ Debt Management ▪ Investments
Financial Literacy	According to the Financial Services Authority (OJK), financial literacy is the knowledge, skills, and beliefs influencing attitudes and behaviors to enhance decision-making quality and financial management towards achieving prosperity.	<ul style="list-style-type: none"> ▪ Basic Financial Knowledge ▪ Savings ▪ Insurance ▪ Investments
Accounting Literacy	Accounting literacy is the level of understanding and ability of an individual to comprehend, apply, and interpret basic accounting concepts and related financial information.	<ul style="list-style-type: none"> ▪ Understanding basic accounting concepts ▪ Understanding financial statements ▪ Knowledge of accounting principles ▪ Understanding accounting methods

RESULTS AND DISCUSSION

Respondent Profile

Table 2 : Gender

Gander	Count	Percentage
Male	19	14%
Female	114	86%
Total	133	100%

Source: Data processed, 2024

The table above provides a breakdown of respondents by gender. It shows the count and percentage of male and female respondents. Out of a total of 133 respondents, 19 (14%) were male, and 114 (86%) were female.

Table 3 : Age

Age	Count	Percentage
17 - 24	20	15%
25 -30	37	28%
> 31	76	57%
Total	133	100%

Source: Data processed, 2024

The table displays the distribution of respondents by age groups. It indicates the count and percentage of respondents in three age categories: 17-24, 25-30, and

over 31 years old. Out of a total of 133 respondents, 20 (15%) were aged 17-24, 37 (28%) were aged 25-30, and 76 (57%) were over 31 years old.

Table 4 : Education

Education	Count	Percentage
Elementary School	78	59%
Juniro High School	38	29%
High School	17	13%
Total	133	100%

Source: Data processed, 2024

The table represents the educational attainment of former migrants in Kuningan Regency. It shows the count and percentage of respondents categorized by their highest level of education. Out of a total of 133 respondents, 78 (59%) completed Elementary School, 38 (29%)

In this study, the influence of financial attitudes and financial planning on financial literacy and accounting literacy was examined using Structural Equation Modeling (SEM) technique. The results are as follows:

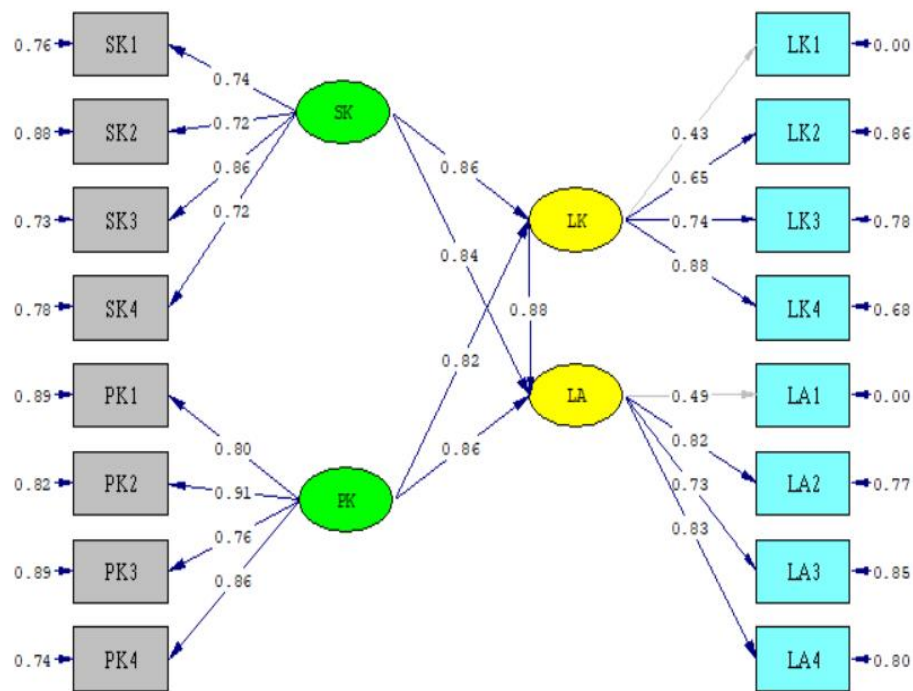


Figure 2 CFA: Basic Model Standardized Solution

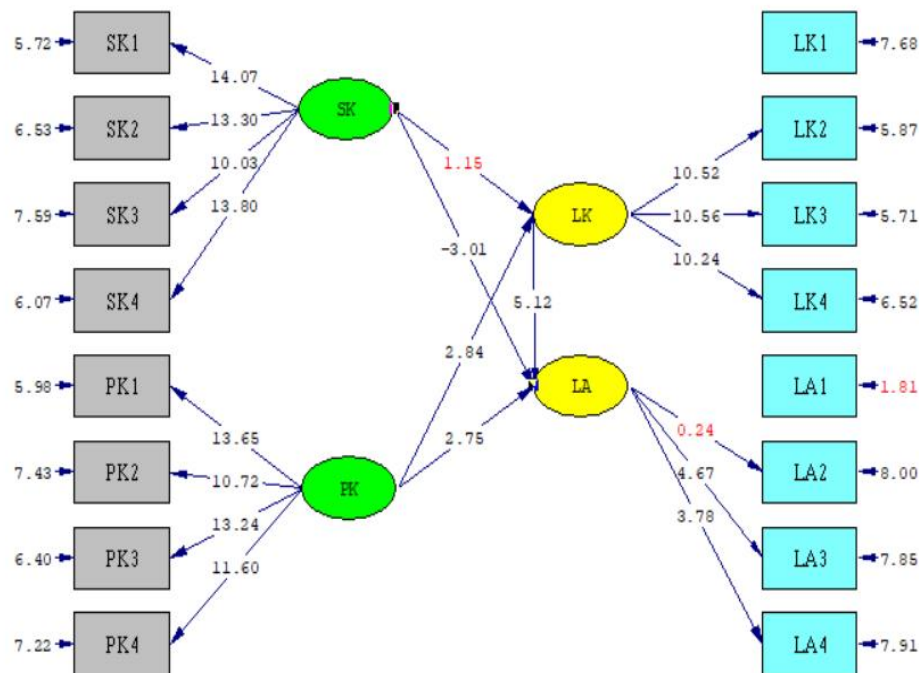


Figure 3 CFA: Basic Model T-Value

In SEM analysis, the measurement model test assesses the validity and reliability of indicators for each construct. Validity is evaluated based on Factor Loadings (> 0.50) and T-Values (> 1.960), while reliability is determined by AVE ($>$

0.50) and CR (> 0.70). Invalid indicators (loadings < 0.50) are removed. The table below presents the results of validity and reliability tests after removing these indicators.

Table 1: Results of Validity and Reliability Testing after Discarding Invalid Indicators

Variable	Indicator	λ (Loading Factor)	T-Value	Validity	AVE	CR	Reliability
Financial Attitude	SK1	0.74	14.07	Valid	0.81	0.91	Reliable
	SK2	0.72	13.30	Valid			
	SK3	0.86	10.03	Valid			
	SK4	0.72	13.80	Valid			
Financial Planning	PK1	0.80	13.65	Valid	0.79	0.95	Reliable
	PK2	0.91	10.72	Valid			
	PK3	0.76	13.24	Valid			
	PK4	0.86	11.60	Valid			
Financial Literacy	LK2	0,65	10.52	Valid	0.89	0.88	Reliable
	LK3	0.74	10.56	Valid			
	LK4	0.88	10.24	Valid			
Accounting Literacy	LA3	0.73	4.67	Valid	0.85	0.93	Reliable
	LA4	0.83	3.78	Valid			

Source: Lisrel Output, 2023

Overall Model Fit Test

Following the Confirmatory Factor Analysis (CFA) model's validity and reliability testing, the subsequent step involves assessing the overall fit of the data with the model, known as Goodness

of Fit in LISREL terms. This test determines whether the constructed model adequately fits the data. The results of the overall model fit test are presented in Table 2 of this study, evaluating the goodness of fit.

Table 2: Goodness of Fit Test for the Overall Model

GOF	Acceptable Fit Level	Model Index	Remarks
Chi-Square	The smaller, the better ($p\text{-value} \geq 0.05$)	30.11 ($p=0.23$)	Good
NCP	The smaller, the better	5.01	Good
GFI	$GFI \geq 0.90$ good fit	0.93	Good Fit
RMR	$RMR \leq 0.05$ good fit	0.025	Good Fit
RMSEA	$RMSEA \leq 0.05$ good fit	0.027	Good Fit
ECVI	Small value, close to saturated ECVI	4.18	Good Fit
NFI	$NFI \geq 0.90$	0.92	Good Fit
NNFI	$NNFI \geq 0.90$	0.93	Good Fit
CFI	$CFI \geq 0.90$	0.95	Good Fit
IFI	$IFI \geq 0.90$	0.94	Good Fit
RFI	$RFI \geq 0.90$	0.94	Good Fit
AIC	Small value, close to saturated AIC	11.21	Good Fit
CAIC	Small value, close to saturated CAIC	14.56	Good Fit
AGFI	$AGFI \geq 0.90$	0.94	Good Fit
PGFI	Higher value is better	0.95	Good Fit

Source: Lisrel Output, 2023

Following Hooper et al. (2008), model fit is assessed using the chi-square test, RMSEA, CFI, and RMR. With the

goodness of fit test indicating a satisfactory fit, it can be inferred that the model utilized

in this study serves as a foundation for analyzing the research problem.

Regarding the hypothesis testing, the proposed hypotheses in this study are supported by the model testing results. The analysis aimed to ascertain the

influence of financial attitude and financial planning on financial literacy and accounting literacy. The conclusions drawn from the hypothesis testing, as depicted in the Structural Model T-Value path diagram, are summarized in Table 3 below:

Table 3: Conclusion of Hypothesis Testing

Hypothesis	Path	t-value	Result
H1	Financial Attitude ---> Financial Literacy	1.15	Rejected
H2	Financial Planning ---> Financial Literacy	2.84	Accepted
H3	Financial Attitude ---> Accounting Literacy	-3.01	Accepted
H4	Financial Planning ---> Accounting Literacy	2.75	Accepted
H5	Financial Literacy ---> Accounting Literacy	5.12	Accepted

Source: Lisrel Output, 2023

Based on the table above, the values indicate that the financial attitude variable has a t-value less than 1.960 (Hypothesis Rejected), meaning that financial attitude does not significantly affect financial literacy. Financial Planning has a t-value greater than 1.960 (Hypothesis Accepted), indicating that financial planning has a positive effect on financial literacy. Financial attitude has a t-value greater than -1.960 (Hypothesis Accepted), meaning that financial attitude negatively influences accounting literacy. Financial Planning has a t-value greater than 1.960 (Hypothesis Accepted), indicating that financial planning has a positive effect on accounting literacy. Financial literacy has a t-value greater than 1.960 (Hypothesis Accepted), meaning that financial literacy positively influences accounting literacy.

Discussion

Financial Attitude Towards Financial Literacy

The research results indicate that financial attitude does not significantly influence financial literacy. This suggests that there is a limitation in the direct correlation between individuals' financial

attitudes and their level of financial literacy. Although a positive attitude towards finances, such as awareness of the importance of saving, investing, or managing debt wisely, is considered crucial in making sound financial decisions, it does not always automatically lead to a high level of financial literacy among migrant workers.

Unique environmental factors for migrant workers may play a more dominant role in determining their level of financial literacy. Differences in financial systems between countries, financial backgrounds, cultures, and limited access to financial information and services relevant to the migrant context can be significant barriers to understanding essential financial concepts. Despite having a positive financial attitude, these limitations can reduce the effectiveness of applying financial knowledge in daily life. To address the gap between positive financial attitudes and low financial literacy among migrant workers, a comprehensive approach is needed. Financial education resources tailored to their specific needs and contexts should be more widely available and easily accessible. Providing financial information in languages they understand and emphasizing relevant cultural aspects is crucial to making the

material more understandable and applicable in daily life.

Aware of the complexity of the challenges faced by migrant workers in financial matters, efforts to improve their financial literacy need to consider these factors more deeply. Through focused and sustainable approaches, it is hoped that migrant workers can overcome these obstacles and enhance their understanding and application of essential financial concepts to better manage their finances, despite the limitations in the relationship between financial attitudes and the level of financial literacy they achieve. These research findings are consistent with studies (Fadila et al., 2023), (Hamzah et al., 2023), (Marinov, 2023) and (Tuffour et al., 2022), which state that financial attitudes do not significantly influence financial literacy.

Financial Planning Towards Financial Literacy

The research results indicate that financial planning has a positive effect on financial literacy. Financial planning plays a crucial role in improving financial literacy among migrant workers. In many cases, good financial planning positively influences individuals' understanding and financial skills in managing their financial aspects. Migrant communities often face unique financial challenges, including differences in financial systems, backgrounds, cultures, and access to financial services. In this context, financial planning can be a highly effective tool in helping them overcome these challenges. Through financial planning, individuals can learn to budget, set financial priorities, and manage expenses and income more efficiently. This planning process allows them to better understand how to allocate their money, manage debt, save, and even invest according to their financial needs and goals.

Furthermore, financial planning provides an opportunity for migrant workers to learn about fundamental financial concepts. This includes understanding the importance of having emergency funds, risk management, investments, and other aspects of finance

that can provide financial security in the long term. By applying effective financial planning practices, they can gradually improve their financial literacy as they are directly involved in managing their own personal finances. Effective financial planning can also help strengthen positive financial attitudes among migrant workers. By better understanding financial concepts, individuals will feel more confident in making wise financial decisions. This can also reduce uncertainty and anxiety related to finances, thus encouraging them to continue learning and improving their financial understanding.

To improve financial literacy among migrant workers, it is essential for governments and relevant organizations to provide broader access to financial education programs focusing on financial planning tailored to the migrant context. Thus, financial planning can be one of the effective ways to improve financial literacy and help migrant workers manage their finances better, achieve financial stability, and contribute to building a more economically secure future. These research findings are consistent with studies (Pradinaningsih & Wafiroh, 2022), (Adiyanto et al., 2021), (Lone & Bhat, 2022) and (Alshebami & Marri, 2022) which state that financial planning has a positive effect on financial literacy.

Financial Attitude Towards Accounting Literacy

The research findings indicate that financial attitude negatively influences accounting literacy. This suggests that a less favorable financial attitude can have a negative impact on accounting literacy among migrant communities. Although not always the case, attitudes that tend to be indifferent or less serious towards financial matters can hinder understanding of fundamental accounting concepts. Migrant communities often struggle to integrate different financial and accounting concepts between their home and destination countries. Ignorance or lack of interest in certain financial aspects can be barriers to understanding the basics of accounting. A

less positive financial attitude often reflects a lack of willingness to understand financial records, prepare financial statements, or even to read and comprehend basic accounting information. A lackadaisical attitude towards financial management can make individuals less inclined to learn about important accounting aspects necessary for monitoring and managing their personal or business finances.

When someone does not value the importance of understanding accounting, they tend to not take financial information around them seriously, including information that may be highly relevant to managing their personal or business finances. This can lead to a lack of understanding of basic accounting principles such as recording income, expenses, good bookkeeping practices, and the importance of understanding financial statements. It is essential to understand that to address the lack of understanding of accounting literacy among migrant communities, there needs to be an approach focused on improving their overall financial attitudes. Broader and targeted educational efforts need to be organized to transform unfavorable attitudes towards finances into more proactive attitudes that are aware of the importance of understanding accounting.

Thus, it is hoped that migrant communities can overcome these barriers, improve their understanding of accounting literacy, and positively contribute to better financial management both on a personal and business scale. These research findings are consistent with studies (Chaidir et al., 2020), (Fang et al., 2022), and (Shefren et al., 2021) which suggest that financial attitudes negatively influence accounting literacy.

Financial Planning Towards Accounting Literacy

The research results indicate that financial planning has a positive effect on accounting literacy. Effective financial planning significantly impacts the improvement of accounting literacy among migrant communities. In many cases,

structured financial planning helps individuals to better understand the basic accounting concepts needed to manage their personal or business finances. Migrant communities often face challenges in accessing information and understanding the differences in financial systems and accounting practices between their home and destination countries. Through financial planning, individuals are encouraged to create budgets, monitor income and expenses, and prepare more structured personal financial statements. This process directly requires an understanding of simple accounting concepts such as income recording, expenses, and proper bookkeeping. By directly engaging in their own financial planning, migrant communities can learn about the importance of understanding accounting to track and analyze their finances.

Financial planning also helps change attitudes towards financial management to be more proactive. When someone is involved in financial planning, they tend to be more interested in understanding financial information around them. This includes understanding financial statements, identifying fundamental accounting aspects, and increasing awareness of the importance of understanding accounting in making wise financial decisions. The importance of financial planning in improving accounting literacy among migrant communities underscores the importance of education and training efforts tailored to the migrant context. These programs can help them understand the basics of accounting, provide the knowledge and skills needed to manage finances better, and achieve better financial stability in the long run. Through these efforts, it is hoped that migrant communities can improve their understanding of accounting literacy, which will in turn provide significant benefits in managing their finances both personally and in business contexts. These research findings are consistent with studies (Anggraini & Cholid, 2022), (Upadana & Herawati, 2020), (Hamzah & Suhardi, 2019), (Khanal et al., 2022) and (Rahies et al., 2022) which suggest that

financial planning has a positive effect on accounting literacy.

Financial Literacy Towards Accounting Literacy

The research findings indicate that financial literacy has a positive effect on accounting literacy. Strong financial literacy has a significant positive impact on the improvement of accounting literacy among migrant communities. Good financial literacy includes understanding basic financial concepts, including money management, investment, debt, and the importance of budgeting. In the context of migrant communities, a strong understanding of financial literacy can serve as a solid foundation for understanding basic concepts in accounting. Migrant communities often face barriers in recognizing and understanding the differences in financial systems between their home and destination countries. However, good financial literacy can help overcome these barriers. When someone has strong financial literacy, they tend to be more skilled in understanding the importance of recording financial transactions, tracking expenses, budgeting, and managing finances overall. These abilities are essential foundations for a deeper understanding of accounting.

Good financial literacy also helps develop a more open attitude towards learning accounting concepts. When individuals already have a basic understanding of the importance of financial management, they are more motivated to understand more complex accounting concepts, such as preparing financial statements, budget analysis, or understanding deeper aspects of accounting. The importance of financial literacy in improving accounting literacy among migrant communities emphasizes the need for financial education programs tailored to the migrant context. These programs not only provide information about financial literacy in general but also help them connect financial concepts with the basics of accounting. Thus, good financial literacy can serve as a strong foundation for understanding accounting

literacy, helping migrant communities improve their understanding of both fields and manage their finances more effectively both individually and in a business context. These research findings are consistent with studies conducted by (Mahwan & Herawati, 2021), (Xu et al., 2022), (Dogra et al., 2023), (Saber, 2023), and (Griffin & Sibilang, 2022) and (Nugroho, 2021), which show that financial literacy affects accounting literacy.

CONCLUSION

The research results indicate that financial attitude does not influence financial literacy, but financial planning has a significant positive impact on improving financial literacy. Meanwhile, financial attitude negatively affects accounting literacy, whereas financial planning has a strong positive influence on accounting literacy. Another finding suggests that financial literacy has a positive influence on accounting literacy. These findings highlight the importance of financial planning in enhancing individuals' financial understanding. By focusing on structured financial planning, individuals can significantly improve their financial literacy. While financial attitude does not directly contribute to the enhancement of financial literacy, the role of financial literacy in accounting literacy underscores the close relationship between these two fields.

IMPLICATIONS AND LIMITATIONS

The implications of these findings highlight the importance of incorporating financial planning into financial education programs to enhance individuals' financial literacy. Education programs need to provide a better understanding of the significance of effective financial planning. Moreover, the need for a more comprehensive approach in teaching financial concepts suggests that changing attitudes alone is not sufficient to improve someone's financial understanding.

However, the limitations of this study lie in its focus on the population of migrant communities, thus potentially limiting the generalizability of its results to that specific group. Additionally, the study did not consider other factors that may influence financial literacy and accounting, such as education, work experience, or broader cultural factors. Therefore, further research with larger samples and more comprehensive variables is needed to gain a deeper understanding of the factors affecting financial literacy and accounting.

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