Jurnal Scientia
Volume 13 , Number 03, 2024, DOI 10.58471/ scientia.v13i03
ESSN 2723-7486 (Online)
https://infor.seaninstitute.org/index.php/pendidikan

Improving Investment Understanding For Millennial Generation Through Digital Teaching Media Innovation

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ArticleInfo

Keywords:
Financial literacy,
Millennial generation,
Investment,
Digital learning media,
Financial education

ABSTRACT

This research explores the low financial literacy among millennials despite their dominance in the use of information technology. Various surveys show that most millennials cannot answer basic questions about finance and investment correctly, indicating an urgent need to improve financial and investment literacy. This lack of understanding of investment instruments and financial strategies negatively impacts their financial stability. Initial questionnaire results from 30 students showed that 70% felt unfamiliar with investments, while 30% felt familiar. In addition, students were most familiar with stocks (40%), followed by mutual funds (30%), cryptocurrencies (15%), and bonds (10%). The study also found that investment literacy and education activities can increase millennials' understanding and motivation to invest. Technology plays an important role in financial education, with well-designed digital learning media, such as e-books and other digital tools, significantly improving learning outcomes. Recommendations from this research include the provision of interactive and fun teaching materials that are easily accessible through digital media, covering the introduction of basic investment concepts, long-term returns, practical guidance on starting an investment, and risk management. This research emphasizes the importance of greater financial education and literacy efforts to empower millennials to manage their finances more effectively and wisely.

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INTRODUCTION

An interesting phenomenon in today's digital era is that millennials dominate the use of information technology. However, this mastery of technology is often not matched with adequate financial literacy, especially in terms of investment. The millennial generation, also known as generation Y, is known as a group that has a high interest in technology and information (Dini Haryati & Ak, 2021). However, studies show that millennials still have difficulties in managing personal finances, high consumptive patterns, but low understanding of financial management and investment.

Several surveys conducted show that the financial and investment literacy of the millennial generation is still very low. One survey conducted by the Financial Literacy and Education Commission (FLEC) shows that only around 34% of millennials can answer basic financial questions correctly. Another survey conducted by the National Endowment for

Financial Education (NEFE) also showed similar results. The survey results show that only about 24% of millennials can answer basic questions about finance and investment correctly.(Ulfatun et al., 2016). In addition, a survey conducted by the JumpStart Coalition for Personal Financial Literacy also shows that millennials have a low level of financial literacy. The survey results show that only about 42% of millennials who graduated from high school can answer basic financial questions correctly. Overall, the results of several surveys conducted show that the financial literacy of the millennial generation is still very low. This suggests that there is a need for greater efforts to improve the financial and investment literacy of millennials in order to manage their finances well. Lack of understanding of investment instruments and financial strategies can have an impact on personal financial stability.

Research by (Wijaya et al., 2023; Yuliantoro et al., 2023) showed that investment literacy and education activities improved participants' understanding and motivation to engage in investment. Similarly, research by (Diviariesty et al., 2023) highlighted that empowering young individuals through digital-based financial planning and investment in rural areas resulted in increased understanding, interest and skills in financial planning. In addition, studies by (Jabid, Syahdan, et al., 2023a; Wijanarko et al., 2022) emphasize that financial literacy among students helps in making informed financial decisions regarding investments, insurance and savings.

The urgency related to the importance of financial literacy and investment for the younger generation is carried out by several studies that show the importance of financial literacy and investment for the millennial generation. Research by shows that millennials have difficulties in managing personal finances and need education about financial management. One of the studies conducted by shows that the understanding of financial literacy and investment for the younger generation is still very minimal. (Arsana & Lestari, 2021; Lin, 2024)This is because the younger generation has a monthly budget but has not been able to control spending. Another study by showed that millennials have lower scores in financial literacy and investment tests compared to other generations. This research (Hasyim et al., 2023; Jabid, Abdurrahman, et al., 2023; Sidiq et al., 2023) also show that millennials are more likely to take on debt and lack an understanding of how to invest. Other research (Jabid, Syahdan, et al., 2023b; Ramli et al., 2022; Sari & Ahmad, 2021) show that millennials need education on financial management and investment.

One way to improve financial literacy and investment in the millennial generation is to provide interactive and fun teaching materials. This can be done by providing digital teaching media that discusses investment (Putra et al., 2023). The use of technology can also be used to improve early investment literacy in the millennial generation. For example, by providing digital teaching media that can be accessed via mobile phones or tablets (Kurniawan et al., 2024; Muhammadiah et al., 2023; Putra et al., 2024), millennials can learn about financial management and determine the type of investment independently. The use of technology can also help in the process of learning about financial management and investment in millennials.

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METHODS

The quantitative method with questionnaire technique is one way to collect data on financial literacy in the younger generation. This method prioritizes data collection in numbers and uses random sampling techniques to determine research respondents. Random sampling is a technique for selecting samples randomly from the population to be studied (Ibrahim et al., 2023; Nainggolan et al., 2023; Sudipa et al., 2023). This is done to ensure that the sample taken is a representation of the population to be studied. In this case, the sample to be studied is the younger generation, especially students as many as 30 people, with questionnaire questions related to financial management, experience in investing, managing expenses and debt, and financial future plans (Fahri, 2022; Jabid, Soleman, et al., 2023; Sirat et al., 2023).

The research stages consist of data collection carried out using questionnaire techniques to millennial generation respondents related to understanding related to financial management and investment, then analyzing questionnaire data, so as to design learning media in accordance with the needs of respondents. After designing, then further evaluate the media by distributing final questionnaires to determine the effectiveness of digital learning media on understanding investment for millennials.

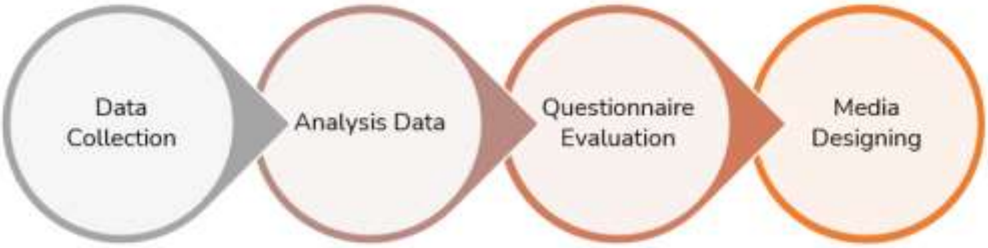

Figure 2: Research stages

Definition of Investment

Investment refers to the act of allocating resources, usually in the form of capital or money, with the aim of obtaining financial or other returns over a period of time.(Hikmah & Rustam, 2020; Tanuwijaya & Setyawan, 2021). This process generally involves using assets or funds to purchase property, stocks, bonds, or other financial instruments that are expected to generate income periodically or increase in value over a period of time. Investments are made with the expectation that the purchased assets will generate income or will be sold at a higher price in the future. Therefore, an investment can be said to be a commitment to an asset or financial instrument with the expectation of receiving a return greater than the original capital. Investment strategies and choices may vary depending on the goals, risk tolerance, and time horizon of the investor.

RESULTS AND DISCUSSION

To improve investment understanding among millennials through digital learning media innovation, it is imperative to utilize various educational strategies. Incorporating digital tools such as digital learning, can significantly improve students' understanding and enthusiasm for learning about various subjects.

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In addition, educating millennials on market and investment literacy leads to increased knowledge and understanding of investment literacy among college students so as to improve knowledge, motivation, and investment return expectations is essential to increase millennials' interest in investing in the capital market. Utilizing innovative digital teaching materials such as e-books, can effectively improve learning outcomes and understanding among students. These digital tools offer interactive and engaging ways to present information, in line with the characteristics of the digital millennial generation.

At the stage of distributing the initial questionnaire, it was intended to find out the answers from respondents regarding understanding related to investment and types of investment. From distributing questionnaires online via google form, there are results, namely.

Figure 2. Initial questionnaire on understanding of Investment

Figure 1 shows the results of a survey simulation on investment understanding among 30 students. From the simulation, 70% of students feel that they do not understand investment, while 30% feel that they understand.

Figure 3. Known Investment Types

Figure 2 shows that most students are most familiar with stocks (40%), followed by mutual funds (30%), cryptocurrencies (15%), and bonds (10%). Only a small percentage (5%) claimed not to be familiar with any type of investment.

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Digital Media

This learning media is titled "The Importance of Investment for Millennials" and is designed to introduce the concept of investment and explain the importance of investment for millennials. The first slide introduces the topic with a catchy title and an illustration of a millennial using a laptop, surrounded by icons representing various investment options such as stocks, bonds, property and mutual funds. The design of this slide is modern and clean, using a color palette of soft blues and greens with a minimalist background and abstract shapes, creating a look that is engaging and easy to follow.

Figure 4. Digital Media

Based on figure 4, it can be explained that the main objective of this learning media is to improve financial literacy among millennials by introducing the basic concept of investment, explaining the long-term benefits of investment, and introducing various investment instruments that are suitable for them. In addition, it also provides practical guidance on how to start investing, including setting investment goals, creating a financial plan, and choosing the right investment instrument. It also explains the risks associated with investing and how to manage them through portfolio diversification and continuous education. The design of this media uses relevant illustrations and icons to visualize important concepts in investment, and ensures that each slide is not too dense with information so that it is easily understood by the audience. By using this learning media, it is hoped that millennials can better understand and utilize investments to achieve financial freedom and prosperity in the future.

CONCLUSION

The research conclusion shows that although millennials dominate the use of information technology, their financial literacy, especially in terms of investment, is still very low. Various surveys show that the majority of millennials cannot answer basic questions about finance and investment correctly. This indicates an urgent need to improve financial and investment literacy among millennials, as a lack of understanding of investment instruments and financial strategies negatively impacts their personal financial stability. Research also shows that investment literacy and education activities can increase millennials' understanding and motivation to invest. The use of interactive digital teaching media has proven effective in increasing understanding and interest in investment. Technology plays an important role in financial education, where well-designed digital learning media, such as e-books and other digital tools, can significantly improve learning outcomes. Therefore, it is recommended to

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provide interactive and fun teaching materials through easily accessible digital media, covering the introduction of basic investment concepts, long-term returns, practical guidance on starting an investment, as well as risk management. In conclusion, this article emphasizes the importance of greater financial education and literacy efforts to empower millennials to manage their finances more effectively and wisely.

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