

FACTORS INFLUENCING STUDENTS INTEREST IN SAVING IN SHARIA BANK (Case Study of FEBI UIN Raden Mas Said Surakarta Students)

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Abstract

We want to learn how understanding financial inclusion, bank reputation, profit sharing, religiousness, and financial literacy affect the desire to establish an account at a sharia bank. Then, we'll see how knowing financial reports affects that desire. This research used a survey technique in conjunction with a quantitative approach. The purposive sample method was used with a total of 183 respondents. The data in this research was analyzed using Structural Equation Modeling (SEM) in SmartPLS 3.0. Student completion rates were shown to be significantly affected by savings interest rates ($p < 0.05$), according to the data. A significant score of $0.021 < 0.05$ indicates that students' motivation in saving is also influenced by the bank's reputation. Additionally, students' interest in saving is significantly impacted by outcomes with a religiosity value of $0.000 < 0.05$ and a significance value of $0.004 < 0.05$. Students' interest in saving money in Islamic banks is unaffected by financial literacy, as shown by a significance value of $0.130 > 0.05$ and a confidence level of $0.257 > 0.05$.

Keyword: *Disclosure; Financial Literacy; Islamic Banking; Religiosity*

A. INTRODUCTION

The younger generation, especially college students in this digital age, has a lot of options and new financial products to choose from when it comes to managing their money (Silalahi, 2023). Saving is a crucial part of managing one's finances. An alternative to conventional banks that do not adhere to Islamic law (Sharia) is an Islamic bank. Sharia principles, such as the distribution of profits, are the basis for Islamic banking (Supriyadi, 2018). In the last decade, Islamic banking in Indonesia has grown substantially. Several reasons have contributed to the fast growth of Islamic banking in Indonesia since 2013. The increasing understanding of sharia principles in financial transactions among the general population is a key component (Tuzzuhro et al., 2023). There is a low number of students who use Islamic banks compared to the general population. In Angriani (2019), Mars Indonesia found that among consumers aged 18–24, 11.6% use Islamic banks, among those aged 25–34, 37.6%, and among those aged 35–55, 50.8%. There is a low number of people using Islamic banks in the 18–24 age bracket, which mostly consists of active college students. For the purpose of this investigation, this problem is relevant. Financial inclusion is the primary variable that might impact students' motivation in saving at Islamic banks according to this study. OJK, SNLIK, students may not be very interested in sharia bank savings accounts as the inclusion index in 2024 was 75.02%, which is lower than in 2022's 85.10%. Financial inclusion has a substantial effect on students' propensity to save with Islamic banks, according to previous research by Puji and Hakim (2021).

The credibility of the bank is another consideration. Building trust with clients and other stakeholders is crucial for a bank to establish its reputation. Students may be less likely to deposit funds in sharia banks if they have negative impressions of the institution (Honesty & Setiawan, 2022). Sharing of profits is the third consideration. Students may be enticed to save with sharia banks because to the profit sharing programs they provide (Wulandari & Suryaningrum, 2021). This study's findings are in agreement with those of Astuti et al. (2020), who contend that students' interest in Islamic bank savings is influenced by profit sharing. The fourth component is piety. Religiously devout students who are also aware that Islam forbids usury are more likely to deposit their savings in sharia banks (Sari, et al., 2023). Financial literacy is the sixth element that affects pupils' desire to save. Students' interest in saving at sharia banks is positively impacted by financial literacy, according to previous study by Fatmawati & Hayati (2023). Financial report disclosure is the sixth consideration. Students' interest in saving at sharia banks will be influenced by disclosures made by banks to make all information connected to bank finances simpler for users to obtain. The researchers set out to find out how much of a correlation there is

between students' interest in saving at sharia banks and factors such as financial inclusion, bank reputation, profit sharing, religiosity, financial literacy, and disclosure of financial reports at Faculty of Islamic Economics and Business at UIN Raden Mas Said in Surakarta.

B. LITERATURE REVIEW

Interest is defined as interest in something. In this context, interest in saving is defined as an interest in seeking further information regarding banking products as a means of saving. In the TPB it is stated that a person's behavior in carrying out an action can be predicted through interest. Financial inclusion or ease of access to financial services that students feel will influence their behavioral control when saving in an Islamic bank. research carried out (Sekarwati & Susanti, 2020) enthusiasts among students who want to save sharia banks was shown to be significantly positively impacted by financial inclusion. A good bank reputation will also influence students positive attitudes towards the bank. The high reputation of sharia banks will make students interested When opening a sharia savings account. This is adjusted to the research (Suparni, et al., 2024) that bank reputation influences students' desire to save with sharia banks in a favorable way. The principle of sharia banking which offers a fair and transparent profit sharing system or profit sharing between the bank and customers will be an attraction for students to save at sharia banks. This is in accordance with research conducted by (Susetyarsi, et al., 2022), that profit sharing has a significant positive influence on students interest in saving in Islamic banks.

Students who have high religiosity, saving at a sharia bank that applies sharia principles is considered a religious obligation. This can increase their positive attitude towards their fascination with Islamic banking for savings. (Zakaria et al., 2020) A strong correlation between students' religion and their interest in saving at Islamic banks has been found. Students financial literacy regarding sharia bank products and services can strengthen viewpoints on sharia bank savings among students. (Fauzi, 2020), It has been shown that students' interest in saving at Islamic banks is significantly boosted by financial literacy. Sharia banks may get more trust and confidence from consumers and pique their interest in saving with them if they provide clear financial reports about their goods and services. Nugraheni & Widyani (2020) said that sharia banks' financial statement disclosures greatly increase students' interest in opening accounts there. It is possible to establish a hypothesis based on prior research:

- H1: Financial Inclusion has a significant positive effect on Interest in Saving at Sharia Banks
- H2: Banks Reputation has a significant positive effect on Interest in Saving at Sharia Banks
- H3: Profit Sharing has a significant positive effect on Interest in Saving at Sharia Banks
- H4: An individual's religious affiliation significantly influences their propensity to save in Sharia banks.
- H5: Financial Literacy has a significant positive effect on Interest in Saving at Sharia Banks
- H6: Disclosure of Financial Reports has a significant positive effect on Interest in Saving at Sharia Banks

C. RESEARCH METHODS

The research apply quantitative research using purposive sampling as the sampling technique. Intentional selection is an method of selecting samples founded upon particular characteristics. The research criteria are as follows: 1) Students of the FEBI at UIN Raden Mas Said Surakarta, at least in their third semester, 2) Have an understanding of Islamic banking, 3) Interested in saving but do not yet have an account in Islamic banking. This research is based on Main information, utilizing information gathering methods employing a survey (questionnaire). The population in this study consists of learners from the FEBI at UIN Raden Mas Said Surakarta, with a sample size of 183 peoples. Information examination is performed with Structural Equation Modeling (SEM). This study instrument is measured for data validity and reliability, ensuring that the study produces valid and reliable data. The instrument used to measure the research variables applies a 5-point Likert scale.

D. RESULT AND DISCUSSION

Outer Model

Validity Test

a. Convergent Validity

A good starting point for determining One measure of The value of the loading factor is convergent validity, the requirement that must be met is that the value The value should exceed 0.7, as well as the mean variance extracted (AVE) should exceed 0.5 in order to be considered valid (Hamid & Anwar, 2019).

Table 1. Factor Loadings

	Profit Sharin g	Financi al Inklusio n	Literasi Keuanga n	Interes t in Saving	Disclosur e of Financial Reports	Banks Reputatio n	Religiosi ty
PS1	0.894						
PS2	0.851						
PS3	0.859						
PS4	0.844						
FI1		0.709					
FI2		0.757					
FI3		0.869					
FI4		0.900					
FI5		0.836					
LK1			0.819				
LK2			0.829				
LK3			0.827				
LK4			0.701				
LK5			0.764				
IS1				0.701			
IS2				0.831			
IS3				0.819			
IS4				0.759			
IS5				0.704			
DFR1					0.902		
DFR2					0.834		
DFR3					0.863		
DFR4					0.878		
DFR5					0.879		
BR1						0.805	
BR2						0.810	
BR3						0.810	
BR4						0.723	
BR5						0.778	
RLG1							0.835
RLG2							0.818
RLG3							0.894
RLG4							0.818

	Profit Sharing	Financial Inclusion	Literasi Keuangan	Interest in Saving	Disclosure of Financial Reports	Banks Reputation	Religiosity
RLG5							0.825

The variables used satisfy the requirements as seen in Table 2, since the results of the AVE test show that their AVE values are greater than 0.5.

Table 2. Average Variance Extracted (AVE)

Financial Inclusion (X1)	0.668
Banks Reputation (X2)	0.618
Profit Sharing (X3)	0.743
Religiosity (X4)	0.703
Financial Literacy (X5)	0.623
Disclosure of Financial Reports (X6)	0.759
Interest in Saving (Y)	0.585

b. *Discriminant Validity*

By checking that an indicator's connection with its A hidden component is greater than its link to other hidden factors, discriminant validity is used to evaluate the indicator level discriminant validity. The distinguishing accuracy values in this study indicate that each indicator within its own block performs better than indicators in other blocks. The discriminant validity values within the research, it is able to be observed within the cross-loading table below:

Table 3. *Discriminant Validity*

Variabel	X1	X2	X3	X4	X5	X6	Y
Financial Inclusion (X ₁)	0.817						
Banks Reputation (X ₂)		0.786					
Profit Sharing (X ₃)			0.862				
Religiosity (X ₄)				0.839			
Financial Literacy (X ₅)					0.789		
Disclosure of Financial Reports (X ₆)						0.871	
Interest in Saving (Y)							0.765

Reliability Test

a. *Composite Reliability*

Combined dependability serves as a means for assessing the actual dependability worth of a hidden factor. When the combined dependability worth is >0.7 , it is considered reliable (Arifin, 2010). According to the information analysis outcomes the reserch, the composite reliability value for the financial inclusion variable indicator is $0,920 > 0,7$; bank reputation is $0,890 > 0,7$; profit sharing is $0,920 > 0,7$; religiosity is $0,922 > 0,7$, finance literacy is $0,892 > 0,7$, and financial statement disclosure is $0,940 > 0,7$. Which means that each indicator of the seven variables is reliable.

b. *Cronbach's Alpha*

Cronbach's Alpha it is utilized for reinforce the reliability test on composite reliability, with Cronbach's Alpha considered dependable when its score reaches the 0.7 threshold. According to the findings from this study, the Cronbach's Alpha value for the financial inclusion variable indicator is $00,873 > 0,7$; bank reputation $0,845 > 0,7$; profit sharing $0,885 > 0,7$; religiosity $0,894 > 0,7$; financial literacy $0,848 > 0,7$; and financial statement disclosure $0,921 > 0,7$; indicating that the indicators of these seven variables meet the Cronbach's Alpha requirement.

a. *R Square*

Researchers examine the R-squared value of an independent variable to determine the extent to which it influences a dependent one. According to Duryadi (2021), if the R-squared value is 0.67 or above, the model is classified. Positive results from the present study demonstrate an R-squared value of 0.759, which is more than 0.67. The independent factors in this research had a considerable influence on the outcome variable by 75.9 percent, according to this metric. Factors outside the scope of this inquiry influence what little remains.

b. Hypothesis

An assumption may be approved when the probability value is below 0.05. The calculated t-value is shown in the path coefficient table. This path coefficient test indicates the strength of the impact of the unchanging factor over the reliant factor. These examination outcomes of this research reveal that the computed t-statistic of 3.222 demonstrates a connection among the financial inclusion variable and the saving interest variable (hypothesis H1 is accepted). A calculated t-value of 2.320 indicates a connection among the bank reputation variable and the saving interest variable (hypothesis H2 is accepted). A calculated t-value of 2.867 indicates a connection among the profit sharing variable and the saving interest variable (hypothesis H3 is accepted). Hypothesis H4, which argues that saving interest is associated with religiosity, may be accepted with a t-value of 3.644. A link between financial literacy and saving interest may be inferred from a T-statistic of 1.51. A T-statistic value of 1.135 indicates the relationship between disclosure of financial reports and the saving interest variable (hypothesis H6 is rejected). The T-value as well as P-value examination outcomes are displayed in the chart underneath:

E. CONCLUSION

Using the previous research as a foundation, this research found that the variable inklusi keuangan has a significant impact on the willingness to engage in syariah banking due to the convenience of digital banking products and services. The bank reputation variable influences interest in saving, when someone selects a bank, the majority of customers are satisfied with the bank's reputation so they will direct them to that bank. Profit sharing also influences curiosity in Islamic banking among students because the profits they get are more promising. In addition, curiosity in Islamic banking among students is positively correlated with their religion. This is because Someone with a strong religious conviction will tend to consider choosing sharia banking products to avoid behavior that is contrary to their religion.

Conversely, financial literacy and disclosure of financial reports have no influence on interest in saving. A high level of literacy but not supported by motivation or other things such as limited income can make someone not apply their financial literacy. Apart from that, disclosure of financial reports does not have much influence on interest in saving, this is because customers believe that banks are under the supervision of the Otoritas Jasa Keuangan (OJK) so they feel safe without having to check financial reports. The author realizes that there are still shortcomings in this research. For further research development, additional variables and wider population coverage can be used.

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