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Financial Literacy of Pre-Service Economics Teachers in Indonesia

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Abstract

Financial literacy has become a core competence in the digital economy, particularly for pre-service teachers who are expected to model and transmit sound financial practices to future generations, yet empirical evidence continues to show a persistent gap between awareness and actual competence among university students. This study aims to examine the multidimensional financial literacy profiles of pre-service economics teachers in Indonesia and to identify implications for teacher education in digitally mediated contexts. A quantitative descriptive survey design was employed, involving 100 pre-service economics teachers selected through purposive sampling. Data were collected using a validated questionnaire measuring financial knowledge, financial behaviour, and financial attitudes, and were analysed using descriptive statistics and Pearson correlation in SPSS 26. The findings reveal two central paradoxes: high awareness of financial literacy is not accompanied by adequate financial knowledge, and extensive engagement with digital financial services does not correspond with a sound understanding of financial risk. Participants demonstrated moderately positive financial attitudes and high levels of digital

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financial usage, yet exhibited low-to-moderate financial knowledge and inconsistent long-term financial behaviour. These results contribute to the theoretical development of multidimensional financial literacy by positioning it as a pedagogical competence in teacher education and highlight the misalignment between digital financial engagement and substantive financial capability. The study concludes that pre-service economics teachers require applied, reflective, and digitally grounded financial literacy learning experiences, and recommends curriculum redesign in teacher education programs to integrate case-based learning, digital finance simulations, and reflective practices, thereby strengthening future teachers' readiness to deliver credible and effective financial education.

Keywords: Financial Literacy; Pre-Service Teachers; Economics Education; Teacher Education; Digital Economy.

INTRODUCTION

In contemporary teacher education, pre-service teachers are increasingly positioned as agents of change who must adopt culturally responsive and critical pedagogies to address diverse learner needs (Finn, 2023). At the policy level, Indonesia's MBKM programme emphasizes humanistic and participatory orientations in higher education, highlighting the importance of academic community engagement in shaping meaningful learning experiences (Eriyanti et al., 2022). These shifts demand that teacher education institutions strengthen professional preparation through integrated, reflective, and interdisciplinary development models (Suryadi et al., 2023)

The rapid expansion of the digital economy has fundamentally transformed how individuals engage with financial systems, generating new opportunities alongside increasingly complex financial risks. In this context, financial literacy has emerged as a critical life skill and an increasingly important educational outcome (OECD, 2020). Beyond its significance for individual financial wellbeing, financial literacy has gained prominence within education systems, positioning teachers as key agents in fostering responsible financial decision-making among learners.

Within teacher education, pre-service teachers are not only learners of financial knowledge but also future mediators of financial literacy for school students. Consequently, their competencies carry implications that extend beyond personal financial management to

include pedagogical credibility and instructional effectiveness (Rhodes & Calder, 2022; Tuia & Esera, 2023). Contemporary scholarship increasingly conceptualises financial literacy as a multidimensional construct encompassing financial knowledge, financial attitudes, and financial behaviour (Lusardi & Mitchell, 2014).

Despite growing international attention, empirical evidence reveals a persistent gap between awareness and actual competence among university students (Chen & Volpe, 1998; Lusardi & Mitchell, 2014). These challenges are intensified by the diffusion of digital financial services, where high adoption often coexists with limited understanding of financial risk (OECD, 2020; OJK, 2022).

Research focusing specifically on pre-service economics teachers remains limited, particularly in developing contexts. This study addresses this gap by repositioning financial literacy as a pedagogical competence in pre-service teacher education and aims to examine the multidimensional financial literacy profiles of pre-service economics teachers in Indonesia.

Recent studies emphasize that innovation integrating digital technology with pedagogical creativity is essential to address Generation Z learners. Asrofi et al. (2025) demonstrate that the synergy of theater, speech recognition, and chatbots creates interactive, motivating learning environments, while (Subandi et al., 2025) argue that digital tools must be pedagogically grounded to foster meaningful learning and character development. These perspectives reinforce the urgency of preparing pre-service teachers with multidimensional competencies that integrate financial, digital, and pedagogical literacy.

The theoretical grounding of this study draws on the Theory of Planned Behavior (Ajzen, 1991), which explains how attitudes and beliefs shape behavioural intentions, and on experiential learning theory (Kolb, 2015), which emphasizes reflective experience as the foundation of professional competence development. These frameworks support the interpretation of financial knowledge, attitudes, and behaviours as interrelated dimensions.

METHODS

This study employed a quantitative descriptive survey design (Creswell, 2014). The participants were 100 pre-service economics teachers enrolled in an economics education

programme at a private university in Indonesia, selected through purposive sampling (Sugiyono, 2013). Data collection was conducted from March to May 2024 at Universitas Muhammadiyah Sampit, Indonesia. Participation was voluntary, and informed consent was obtained from all participants.

Data were collected using a questionnaire adapted from established instruments (Huston, 2010; Lusardi & Mitchell, 2014; OECD, 2020) measuring financial knowledge, financial behaviour, and financial attitudes. Content validity was established through expert review, and reliability analysis indicated satisfactory internal consistency for all dimensions (Cronbach's alpha > .70).

Data analysis involved descriptive statistics and Pearson correlation using SPSS version 26 to examine relationships among the dimensions.

RESULTS

Table 1. Participant Characteristics

Characteristic	**n (%)**
Male	32 (32.0)
Female	68 (68.0)
First Year	15 (15.0)
Second Year	35 (35.0)
Third Year	32 (32.0)
Fourth Year	18 (18.0)

Table 1 shows that the majority of participants are female (68%) and are predominantly in their second and third academic years. This composition indicates that most respondents are in the middle phase of their teacher education programme, a stage where professional identity and pedagogical orientation begin to consolidate.

Table 2. Descriptive Statistics of Financial Literacy Dimensions

Dimension	Mean	SD	Minimum	Maximum	Interpretation
Financial Knowledge	9.00	3.20	3	16	Low–Moderate
Financial Behaviour	58.20	12.40	28	85	Moderate
Financial Attitude	65.30	11.80	38	88	Moderately Positive

As presented in Table 2, financial attitudes record the highest mean score, followed by financial behaviour, while financial knowledge remains at a low-to-moderate level. This pattern indicates a discrepancy between awareness and conceptual mastery, suggesting that positive orientations toward finance are not yet supported by sufficient cognitive understanding.

Table 3. Descriptive Statistics of Financial Knowledge Sub-Domains

Sub-Domain	Mean	SD	Range
Basic Concepts	10.40	2.80	5–18
Saving and Budgeting	10.50	2.60	4–17
Investment Principles	7.20	3.50	1–15
Risk and Diversification	7.60	3.80	0–16
Digital Financial Services	8.40	3.10	2–16
Consumer Rights	9.50	2.90	3–17

Table 3 reveals that basic concepts and saving-related knowledge are relatively stronger than investment and risk-related domains. The lowest means are observed in investment principles and risk diversification, highlighting critical gaps in higher-order financial understanding.

Table 4. Descriptive Statistics of Financial Behaviour Sub-Dimensions

Sub-Dimension	Mean	SD	Range
Budgeting Practices	52.30	14.20	20–80
Saving Habits	61.50	13.80	25–90
Long-term Financial Planning	45.20	16.10	15–75

Sub-Dimension	Mean	SD	Range
Investment Activities	42.80	18.50	10–85
Debt Management	58.70	15.30	25–90
Digital Financial Service Usage	72.40	12.60	40–95
Financial Confidence	35.00	11.20	15–65

As shown in Table 4, students demonstrate stronger engagement in saving habits and digital financial service usage, whereas long-term financial planning and investment activities remain weak. This pattern reflects a tendency toward short-term and transactional financial behaviour.

Table 5. Descriptive Statistics of Financial Attitude Sub-Dimensions

Sub-Dimension	Mean	SD	Range
Attitude toward Saving	68.50	12.30	35–95
Attitude toward Investment	54.20	14.60	20–85
Attitude toward Financial Planning	62.80	13.40	30–90
Financial Confidence	45.60	15.20	15–80

Table 5 indicates that attitudes toward saving and planning are more positive than attitudes toward investment and financial confidence. This suggests that although students value financial prudence, they remain hesitant in engaging with complex financial decisions.

This pattern mirrors the insights of Simamora and Abrori (2025), who demonstrate that inspirational teaching among prospective teachers emerges through reflective engagement and meaningful learning experiences. Their findings underline that pedagogical inspiration is cultivated not merely through technical mastery but through humanistic and reflective orientations fostered during teacher preparation.

Table 6. Correlation Matrix among Financial Literacy Dimensions

Variable	Financial Knowledge	Financial Behaviour	Financial Attitude
Financial Knowledge	1.00	.42**	.38**
Financial Behaviour	.42**	1.00	.51**
Financial Attitude	.38**	.51**	1.00

Table 6 demonstrates significant positive correlations among financial knowledge, behaviour, and attitudes. The strongest relationship appears between financial behaviour and attitude, confirming that affective orientation plays a key role in shaping financial practice.

DISCUSSION

This finding aligns with Asrofi et al. (2025), who show that technology-enhanced, interactive learning increases motivation and engagement among Generation Z learners, and with (Subandi et al., 2025), who emphasize that digital integration becomes effective only when embedded within clear pedagogical frameworks. Accordingly, financial literacy in teacher education should be framed not merely as personal competence but as a pedagogical capacity supported by reflective and digitally grounded learning designs.

This pattern resonates with findings by Simamora & Abrori (2025), who report that inspirational teaching among prospective teachers emerges through reflective engagement and meaningful learning experiences. These insights reinforce the need for teacher education programmes to cultivate not only technical competence but also reflective and humanistic orientations.

These results resonate with broader educational management findings. Teshome (2025) emphasizes that continuous evaluation and systematic improvement are essential for maintaining learning quality in higher education systems. (Obadiah et al., 2024) demonstrate that optimal professional performance depends on multidimensional skill integration, including technical and digital competencies. From a financial education perspective, (Kasimu & Jamilu, 2024) provide empirical evidence that financial literacy strengthens learners' entrepreneurial and decision-making capacities, reinforcing the relevance of financial literacy as a core component of teacher preparation programmes. In parallel, (Assingkily & Putri, 2023) argue that integrated quality management systems grounded in institutional values enhance learning effectiveness, supporting the need for systemic and reflective approaches in pre-service teacher education

This study reveals that the financial literacy profiles of pre-service economics teachers are characterised by uneven development across cognitive, behavioural, and attitudinal dimensions. While participants demonstrated strong awareness of the importance of financial literacy, this awareness was not consistently supported by adequate

financial knowledge or sustained financial behaviour. This finding reinforces existing evidence that awareness alone is insufficient to ensure meaningful financial competence (Chen & Volpe, 1998; Lusardi & Mitchell, 2014).

The paradox between positive attitudes and limited knowledge suggests that current curricula may emphasise normative messages over conceptual depth. Furthermore, frequent digital financial use does not translate into risk understanding, challenging assumptions that digital familiarity inherently promotes financial competence. These findings support reconceptualising financial literacy as a pedagogical competence in teacher education.

CONCLUSION

Pre-service economics teachers exhibit strong financial awareness and digital engagement, yet lack sufficient conceptual understanding and consistent financial behaviour. This imbalance underscores the need to integrate applied, reflective, and digital financial literacy into teacher education. Embedding case-based learning, simulations, and reflective practices can strengthen pedagogical readiness. Future research should employ longitudinal and multi-institutional designs to examine developmental trajectories of financial literacy.

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