The Gateway to Financial Future: Analysis of the Level of Literacy and Enthusiasm of the Community towards Education Insurance in Indonesia

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Abstract. Education plays an important role in forming character, skills and knowledge to achieve success in the future. However, people are often faced with the challenge of increasingly expensive education costs. One solution is an education insurance product. The success of this implementation depends on the level of literacy and enthusiasm of the community. Objective: To analyze the level of literacy and enthusiasm of the public towards education insurance in Indonesia and evaluate the potential relationship between the two variables. This research used a survey method by distributing questionnaires to 32 respondents which included questions related to literacy level and enthusiasm for education insurance. Correlation analysis is used to evaluate the relationship between literacy level and community enthusiasm. Hypothesis testing with t-count provides a statistical view of its significance. The results of the analysis show that there is a significant negative relationship between literacy level and people's enthusiasm for education insurance (r = -0.388, t = -2.305). This means that the higher the literacy level, the lower the public's enthusiasm for education insurance products. This research identifies a significant negative relationship between literacy levels and public enthusiasm for education insurance in Indonesia. Higher literacy correlates with lower enthusiasm for educational insurance products. It is hoped that this research can help increase the effectiveness of literacy programs and marketing of educational insurance products to achieve wider financial inclusion.
Keywords: Literacy, Enthusiasm, Education Insurance, Analysis

I.   Introduction

Education is the primary foundation for the development of individuals and a nation. With the development and complexity of educational needs, society is faced with financial challenges in supporting the education of their children. Regarding this issue, educational insurance emerges as a promising financial alternative, providing assurance for the continuation of quality education amidst economic uncertainty.

The success of implementing education insurance depends not only on the excellence of the product itself, but also on the understanding and enthusiasm of the community towards education insurance, which is a key factor in determining the success of this product. Financial literacy, as a primary indicator of society's understanding of financial products, also plays a crucial role in shaping the public's perception and interest in education insurance. According to the 2022 survey conducted by the Financial Services Authority (OJK), the financial literacy rate in the insurance sector in Indonesia has increased from 19.4% in 2019 to 31.72% in 2022 (Keuangan, 2023). Despite seeing an increase, the figure still remains around 30%, indicating the existence of a gap that has to be addressed in the public's understanding of the concept and benefits of insurance, especially education insurance. Therefore, the purpose of this research is to provide a detailed analysis of the literacy levels and enthusiasm of the Indonesian population towards education insurance. The study will focus on a sample of 30 respondents, chosen to reflect the diverse population of Indonesia.

This research is designed to gaining a profound understanding of the extent to which financial literacy might influence public enthusiasm for education insurance products, and how this reflects challenges and opportunities in the insurance market in Indonesia. Through this understanding, it is hoped that solutions and policy recommendations may be found to enhance public understanding, foster interest in education insurance, and ultimately support sustainable education development in Indonesia.

II.   Literature Review
A.   Education Insurance

Every parent Certain thought about the future his son. So, parents must start plan all the best thing for fruit his heart in a way ripe since early, for one is prepare education in the future. Already become dream every parent, in the future fruit his heart Can own good and highest education. With own level higher education believed capable help somebody reach ideals and improve level his life.

For get good and highest education, parents must emit costs are not A little. Apart from inflation that will Keep going attendance, fees education also continues to increase every year the year besides That education period is also consuming time is not A moment started from Kindergarten, Elementary School, School Intermediate First, school Upper Intermediate, up to college. Be aware of matter the besides prepare savings education, parents should also prepare insurance education, because of parents No Once know until When Can accompany his son. With insurance education If something moment happen risk died or risk others who don't desired override searcher livelihood, then insurance education will ensure that cost education child still protected, and children Still can continue his education Because There is benefit from insurance education. Insurance education This can started since child born until 17 years old with the main target at ages 0-10 years (OJK, 2021).

B. Types of Education

Insurance Currently in Indonesia, there are 2 types of education insurance, namely dual-purpose insurance and insurance unit link: (OJK, 2021)

1. Dual-purpose Education Insurance (endowment)

Insurance education This is product combined between protection insurance soul added with money market instruments. Insurance will ensure cost education child when later parents No can Again look for living Because died, or totally disabled. Besides that, results instruments in the money market such as deposit tend give mark definite results, which are possible melted in period time certain. Size the amount in accordance with contract that has been agreed between customers with provider insurance.

2. Unit Link Education Insurance

Insurance education type this is also a combined from service insurance soul and investment. The premiums paid each month not only protect the child's educational future but also will manage for product investment like mutual funds. Profit from investment will be shared side by side with stage child school, for example moment will enter elementary school, middle school or high school. However, need also understand that every investment owns the risk separately, though There is opportunity For get return results or profit high

III. Research Method

This research was conducted using a quantitative approach to analyze the level of literacy and enthusiasm of the public towards education insurance in Indonesia. This research design involves collecting data using questionnaires sent to 30 purposively selected respondents from various segments of the population in a representative region.

The respondents were selected from various age groups, educational levels, and monthly incomes to encompass the diversity of Indonesian society. The inclusion criteria include those who possess a general understanding of the concept of insurance and are willing to participate in this study. Participants are informed about the research objectives and given consent prior to completing the questionnaire.

The questionnaire is meticulously designed, consisting of two main sections. The first section evaluates the financial literacy of the respondents, including their understanding of the definition and associated benefits of education insurance. The second section focuses on the respondents' enthusiasm for education insurance and the factors that influence their purchasing decisions.

The questionnaire was sent either directly or via an online platform, with clear instructions for the respondents. Data were collected periodically according to a predetermined schedule.After data collection, analysis is conducted using descriptive statistical methods, correlation analysis, and regression analysis. Descriptive statistics provide a general overview, while correlation and regression analysis help identify relationships and to what extent literacy may predict enthusiasm levels.

This research adheres to the principles of research ethics, including the security and confidentiality of respondent data. The gathered information will be securely stored and only used for research purposes. With meticulous research design and appropriate instruments, this method is expected to provide profound insights into the literacy and enthusiasm of the Indonesian society towards education insurance. A systematic analysis of data will provide valuable findings for policymakers, insurance companies, and other stakeholders.

IV. Results and Discussion

A. Respondent Description

The respondents' profiles provide a diverse representation in terms of education, age, and income. Out of a total of 30 respondents, 80% had a high school education as their highest level of education, indicating a dominance of participation from those with a secondary education background. While most respondents are at this educational level, there are also 17% who are bachelor's degree holders and 3% who are certificate holders, creating variation in the respondents' educational level.

In terms of age, most respondents are from the age group below 25 years, indicating that this study has attracted the attention of the younger generation who may be just starting their educational or career journey. This characteristic might provide a fresh and relevant perspective about literacy and enthusiasm for educational insurance among the younger generation.

Regarding the aspect of income, most respondents indicate that their monthly income is below 10 million rupiah. This condition indicates that most respondents have financial limitations, which may be the primary consideration in making decisions related to education insurance. The results of the study are expected to provide a more comprehensive and relevant understanding of the reality of the Indonesian population by further exploring the profile of the respondent, their background, and their educational background.

B. Literacy Level

The level of literacy in society about the concept of education insurance may be described based on the data scores obtained using a scale of one (correct) and zero (incorrect). The questions used to measure the level of literacy are encoded using numbers 1-4, with each code containing:

Code 1: Do you see that the cost of education is more expensive?
Code 2: Have you ever heard of Education Insurance?
Code 3: Do you understand what Education Insurance is?
Code 4: Are you aware of the benefits of Education Insurance?

Code	Score	
	Right(X)	Wrong (Y)
1	29	1
2	23	7
3	12	18
4	11	19
Total	75	45
Total Score	0,63	0,37

$$\text{Total Score} = \frac{\text{Sum of Correct Answers}}{\text{Total Respondents}}$$

The overall score may be categorized as follows:
Score 0-0.25: The level of financial literacy is low.
Skor 0.26-0.50: Indications of low levels of financial literacy
Skor 0.51-0.75: The level of financial literacy is moderate.
Score 0.76-1.00: High level of financial literacy

The average literacy score in this study was obtained as 0.63 from respondents who answered correctly on a scale of 0-1.00. The results indicate that overall, the respondents had a moderate to somewhat high level of financial literacy or understanding of the concept of education insurance, with scores approaching the maximum value on the rating scale.

This result is a positive indication of the level of financial literacy among the community for this financial product. Therefore, it is expected that individuals involved in this research had a strong knowledge foundation to

make informed decisions on educational insurance. However, more research might explore the factors influencing literacy and how it can be further enhanced.
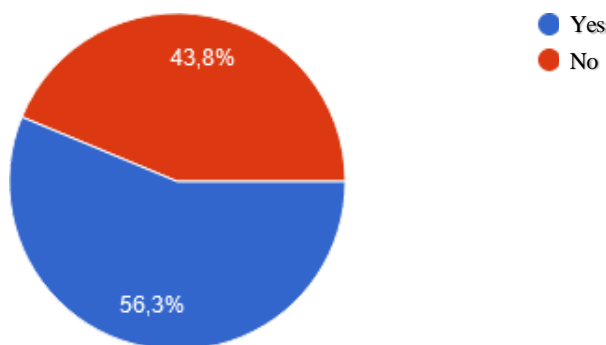
C. Enthusiasm for Education Insurance

The enthusiasm of the community for education insurance products may be shown via the responses of the respondents to two questions on the distributed questionnaire.

1. Are you interested in purchasing educational insurance?
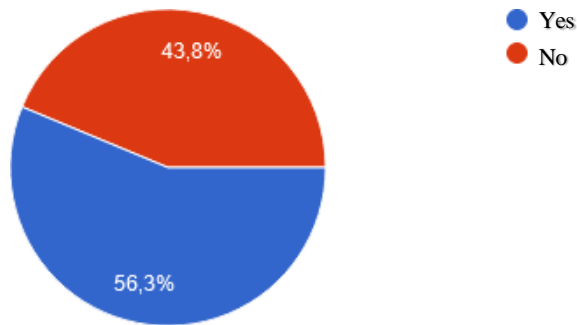
2. How much are you willing to pay for education insurance?

Based on the results of the two questions, the research yielded an average enthusiasm percentage of 56.3%. This magnitude indicates that overall, the respondents demonstrate a rather positive level of enthusiasm about education insurance. Approximately 56.3% of the total respondents expressed their readiness to purchase education insurance products. Furthermore, these figures reflect that half of the participants have a tangible interest in taking steps to safeguard their future education via this product.

3. Regression and Correlation Analysis

a) Regression Analysis

The relationship between dependent variables and one or more independent variables may be either linear or non-linear (Hasan, 2018). The relationships that exist in the above analogy, when expressed in mathematical form, will result in the following equation:

$Y = \alpha + \beta x$

Information:

Y and X = Variabels

α and β = constanta

To do forecasting, estimation, and prediction using regression equations (Hasan, 2018), first determine the values of a and b using the following formula:

Determining the value of β

$$b = \frac{n\sum XY - (\sum X)(\sum Y)}{n\sum X^2 - (\sum X)^2}$$

Determining the value of α

$$a = \frac{\sum X}{n} - b \frac{\sum X}{n}$$

Once regression analysis is performed using the provided data, some interpretations on the relationship between independent variable (X) and dependent variable (Y) may be provided.

- The regression coefficient (β) has an approximate value of -0.252. This indicates that there is a negative linear relationship between the independent variable (X) and the dependent variable (Y). In other words, each increase of one unit in X is correlated with a decrease of about 0.252 units in Y.
- The intercept (α) has a value of around 1.78. Ini adalah perkiraan nilai Y saat X adalah 0. In this context, when X (for example, the quantity of X) equals 0, we estimate that the value of Y is about 1.78.
- Regression Equation: The resulting regression equation is Y = 1.78 - 0.252X. This is a predictive linear model for the relationship between XX and YY based on observed data.

b) Correlation Analysis

Correlation analysis is used to measure the extent to which two variables are related to each other. Korelasi describes the direction and strength of the relationship between two variables without causing or implying causation. The correlation value may range from -1 to 1, where: 1 = perfect positive relationship, -1 -1 is the negative scalar product, and 0 indicates absence of a linear relationship between the two variables.

This study utilizes the Pearson correlation coefficient to measure the strength of the relationship between literacy levels and enthusiasm for educational insurance. The formula to be used is as follows:

- Coefficient of Correlation

$$r = \frac{n \sum XY - (\sum X)(\sum Y)}{\sqrt{n \left[\sum X^2 - (\sum X)^2 \right] \left[n \sum Y^2 - (\sum Y)^2 \right]}}$$

- T test

$$t_{hitung} = \frac{r \sqrt{n - 2}}{\sqrt{1 - r^2}}$$

Based on the correlation analysis of 32 respondents, a correlation coefficient of r = -0.388 was obtained, indicating a negative relationship between the two observed variables with a moderate strength. Although not very strong, it provides an indication that there is a relationship between the variables.

Next, a hypothesis test was conducted using the t-test (t = -2.305) to see if the correlation results were statistically significant. Referring to the critical t-value (ttabel=1.697) at a significance level of α=0.05, we may conclude that the calculated t-value is less than the critical t-value. Therefore, it may reject the null hypothesis and confirm that the correlation between the two variables is statistically significant.

Thus, it may be inferred that within the context of 32 respondents, there is a significant negative correlation between the observed variables. This interpretation is crucial for comprehending the dynamics between variables and may provide valuable insights into further understanding the studied phenomenon.

V. Conclusion

This article addresses the important issue of the level of literacy and enthusiasm of the Indonesian society towards education insurance. By conducting a correlation analysis on a group of 32 respondents, this study aims to provide a comprehensive understanding of the dynamics of the relevant inter-variable relationships.

During the data collection, it is evident that the majority of respondents had a high school education as their highest level of education (80%), with a significant portion of the age group being under 25 years old. The distribution of respondents' income also includes a majority who earn less than 10 million per month. The analysis of literacy levels indicates an average score of 0.63 on a scale of 0-1.00, while the enthusiasm of the community for education insurance has an average enthusiasm percentage of 56.3%.

The correlation analysis (r=−0.388) indicates that there is a negative relationship between literacy levels and public enthusiasm for education insurance. It means that as the level of literacy increases, the enthusiasm of the community for education insurance products decreases. The hypothesis test using the t-test (t = -2.305) indicates statistical significance at a 95% confidence level, with a t-table value of 1.697.

The interpretation of these findings suggests that efforts to enhance financial literacy among the public might influence attitudes and enthusiasm for education insurance. The recommendation that arises is the need for a more focused enhancement of financial literacy programs and a more targeted marketing strategy for educational insurance products.

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