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THE ROLE OF DEMOGRAPHIC FACTORS MODERATING THE LEVEL OF DIGITAL LITERACY ON ONLINE LENDING BEHAVIOR

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ABSTRACT

The aim of this study to explore the role of demographic factors moderating the level of digital literacy on online lending behavior. This study use a purposive sampling technique and the sample elements of the object are selected based on certain considerations and criteria, namely micro and small business actors on this study. Data was collected using survey techniques with a total of 100 respondents. The proposed model of this study are using descriptive analysis and SEM PLS in order to obtain the information about digital literacy on the online lending behavior of the Padang community moderated by demographic factors. The results of this study show that the majority of respondents are dominated by productive age who have high intensity in utilizing peer-to-peer lending (P2P lending) information technology. This study also shows the significance of financial literacy in influencing financial behavior, and the demographic factors are significantly able to moderate financial literacy on financial behavior. The study results also show that it is important for future researchers to make risk preferences and social environment a relevant approach in measuring individual financial behavior related to building a positive and wise perspective in using peer-to-peer lending (P2P lending).

Keywords: Digital literacy, demographic factors, financial behavior, online lending.

INTRODUCTION

The development of financial technology has undergone changes over the years. The dominance of the use of technology forces the industry to continue to utilize technology in order to survive in industry competition. Industries with higher technology engagement are likely to identify market gaps to gain higher market potential in the future.

Financial technology literacy is the knowledge and skills for Small and Medium Enterprises (SMEs) to acquire quick fountain of funds for their business. The ability of SMEs to identify and analyze funding sources is a potential opportunity to compete in a competitive industry. Fintech is an important strategic tool and is considered a financial powerhouse. It can be one of the important strategic tools to better organize the allotment of financial resources and achieve great financial strength (Eniola & Entebang, 2017). In addition, knowledge of financial technology is essential for SMEs to find the right way to scale their business, so that they can gain a larger market share in the future.

Indonesia is one of the third largest population in Asia. Telecommunications industry surveys reveal that more than 50% of Indonesians use the internet as part of their life activities. In particular, the potential for Indonesia's economic growth is also reflected in Indonesia's SME population of around 59.2 million (22.71%) and more than 30% (19.5 million) have engaged in the digital environment (katadata.co.id, 2021). In fact, only 30 percent of SMEs have successfully utilized digital technology to increase their business scale (Sulistiyawati & Samatan, 2021) . The development of Fintech can affect the level of financial literacy in micro and small businesses (Sariwulan et al., 2020). Financial technology is a lending and borrowing facility that provides a shortcut for parties who need funds quickly. Fast and easy services compared to banks have an impact on people's readiness to make financial decisions. This condition requires community readiness for financial literacy and digital technology development in avoiding the uncertainty of future financial risks (Soetiono, 2018).

Furthermore, the development of financial technology is also shown through peer-to-peer lending (P2P lending) in providing attractive offers for micro businesses that need quick funds. The phenomenon of increased use of P2P lending that is not supported by a good understanding of financial literacy and the use of digital technology is likely to have an impact on the financial problems of business actors in the future. In fact, this condition is often found in rural businesses

with a low understanding of financial literacy and digital technology (Merdeka.com, 2022).

The Minang tribe located in West Sumatra province is known as one of the largest trading tribes in Indonesia. 89 percent of the economy is contributed by more than 600 micro-entrepreneurs, a province that is ranked 11th in the measurement of digital competitiveness but is still ranked 20th when viewed based on the digital literacy index in Indonesia (Digital Competitiveness Index (EV-DCI) improvement, 2023). This condition is certainly an interesting thing to see how the development of the West Sumatera economy, which is ranked 11th nationally, can still be achieved even though the digital literacy index is still ranked 20th in Indonesia.

Problem Formulation:

Does the level of digital literacy affect the financial behavior of online loans in West Sumatra.
Do demographic factors influence the financial behavior of online lending in West Sumatra?
Do demographic factors moderate the level of digital literacy on the financial behavior of online loans in West Sumatra?

LITERATURE REVIEW

Financial Literacy

Remund, (2010) defines literacy as the knowledge and skills needed to meet human needs at different socio-demographic levels, and financial literacy is one of the knowledge areas that focuses on five dimensions, namely financial knowledge and concepts, communication ability in financial concepts, the capability in finance management, know-how in making financial decisions, and the aptitude to plan finances for the future. Furthermore, Huston, (2010) emphasized that the challenges in measuring financial literacy are generally influenced by several factors, namely understanding financial concepts, financing concepts, investment concepts and protection (guarantee) of existing assets. This certainly strengthens the relevance of improving the quality of individual financial literacy in minimizing risk uncertainty at the expected investment level of financial behaviour.

Karaa (2016) explains that although family is the main reference in shaping individual financial knowledge and behavior, financial knowledge is essentially influenced by formal and informal education. Furthermore, Calvo-pardo and Haliassos (2019) in their study of understanding individual financial behavior through the perspective of the existence of groups or communities in the use of social media related to influencing individual financial behavior has the result that discussions in groups or communities do not have much influence on financial knowledge and behavior. Furthermore Huston (2010) also emphasized that the challenges in measuring financial literacy are generally influenced by several factors, namely understanding the concept of finance, financing and the investment and protection (guarantee) of existing assets. This certainly strengthens the relevance of improving the quality of financial literacy of related individuals in minimizing risk uncertainty at the level of investment and financing made.

Financial Literacy of micro and small businesses

Micro and small enterprises are one of the important pillars in contributing to the strengthening of a region's economy. The ability to access funding sources is a main point to maximizing the growth up of micro businesses related to maximizing the level of competition in a region. Knowledge and understanding of business financial management literacy clearly influences the improvement of the financial achievement of micro and small businesses and certainly has an impact on the sustainability of micro and small businesses at the level of competition faced (Aribawa et al., 2016). This certainly has implications for the ability to manage the liquidity of micro and small businesses supported by a relevant capital structure approach is a reflection of the matched of knowledge of financial management literacy owned by the owner (Strossmayer & Strossmayer, 2016).

The owner's ability to manage and increase the allocation of retained earnings related to financing the company's operational activities is expected to deliver benefits in reducing the ratio of debt requirements to the optimization of the capital structure managed by the owner (Margaretha & Pambudhi, 2015). This also has a constraint on the higher financial literacy of micro and small business owners through formal and non-formal education has a logical consequence on the owner's ability to find alternative sources of funding at a broader level (Bayrakdaro & Botan, 2014). This certainly reinforces the importance of improving the practical knowledge of financial literacy in increasing the scale and competitiveness of micro and small enterprises. This of course has logical consequences for the efficiency and effectiveness of funding decisions that will be made by business owners.

Previous Research

Previous research used in developing the model in this study is as follows:

Table 1 Previous Research

No.	Researcher Name	Research Title	Research Results
1	Mark Anthony Camilleri (2018)	*The SMEs' technology acceptance of digital media for stakeholder engagement*	- SME owner-managers understand the versatiliy of digital media to lack with the stakeholders. - The speed of technological innovation has a significant and positif aftermath on communication purposes. - Youth generation with the the large scale of business morel likely use the digital media than the other small business owener.
2	L Puspitawati, and P Gurning (2019)	*Electronic payment for Micro, Small and Medium Enterprises in Developing Countries*	– The results show that e-payments can benefit small and medium-sized businesses by bringing in more visitors by providing discounts, free advertising, bonuses and more. – The e-payment has a benefit for SMEs to enhance the visitants by providing many kind of benefit in reduction cost for customer such as freeadvertising, bonuses, discounts ang more. – The use e-wallet has contributed to scale up the business process on SMEs.
3	Kwabena, *et al*., (2020)	*Effects Of the Digital Payment System On Smes Performance In Developing Countries; A Case Of Ghana*	– Technology, organization, environment, and the use of digital payment systems have significant consequence on SME performance
4	Albeerdy and Gharlegi (2015)	*Determinants of the Financial Literacy among College Students in* Malaysia	– There is a significant impact of education and financial management on the understanding of financial literacy.
5	Mandell and Klein (2009)	*The Impact of Financial Literacy Education on Subsequent Financial Behavior*	– Study results show that individuals who take financial studies are not always better than individuals who do not take financial studies in managing finances. – The study results show that individuals who do not have an orientation in saving tend not to have good financial behavior. – It is important for business schools to further develop relevant approaches in addressing the effective implementation of financial literacy in students.
6	Mustika Sari and Noviardy (2020)	The Effect of *Financial Technology* in Improving Financial Literacy Micro, Small and Medium Enterprises of Palembang City (Case Study of Micro, Small and Medium Enterprises in Palembang City in 2020)	– The study results show that the development of Fintech can influence the stages of financial literacy of micro and small businesses. – This can happen because the understanding of *financial technology* has provided benefits in increasing the progress of business in a better way.

Source: Secondary Data Processed (2022)

Framework

With the rapid rising of digital technologies, society are faced with know - how to use an ever-evolving range of technical, cognitive, and sociological skills to accomplish tasks and solve problems in the digital environment. The ability of individuals to access information in the digital age is important. Research results Kervin (2016) the use of digital technology applications that continue to increase in the marketplace, demands to improve the basic literacy skills of individuals. The use of digital media has the potential to enrich and offer opportunities to learn and perform literacy easily.

Research Widyastuti, D. A. R., Nuswantoro, R., & Sidhi (2015) the consequences of digital media development, the readiness of human resources as intellectual capital to accompany the pace of development and efforts are needed to anticipate negative impacts. Eshet-alkalai (2004) defines digital literacy as relic skills in the digital era.This skills used to be as a strategies for users and learner to adaptif with the dynamic of digital environtment. An integrative theoretical structure of evidence covering most elements of user venture in digital environments, which can constitute a essential for future study on the ever-changing guidance of digital culture.

Research on digital literacy empowerment in micro and small businesses was conducted by Sulistiyawati & Samatan (2021) the problem of micro and small businesses currently lies in the use of digital technology. Many micro and small business actors have not utilized digital media for marketing, in helping to inform and interact directly with consumers. The Covid pandemic period contradicts government regulations, making consumers have to switch to using an online purchasing system. This presents challenges and opportunities for the government to maintain the existence of micro and small businesses, but short-term solutions are needed to help micro and small businesses facilitate sales. In the implementation of digital literacy, only 30% of micro and small businesses have successfully transitioned in to digital technology adoption. Therefore, a good collaboration among divisions is still needed in order to create or implemented the new program. More over, it has benefit for management to minimize program failure, and the implementation of digital literacy can be successful and right on target.

In contrast, research by Mustika Sari and Noviardy (2020) shows that the development of Fintech is able to influence the level of financial literacy of micro and small businesses. This can happen because the understanding of financial technology has been able to be well understood by micro and small business actors so that it provides benefits in increasing the progress of micro and small businesses themselves related to managing finances.

Karaa (2016) explains that although family is the main reference in shaping individual financial knowledge and behavior, financial knowledge is essentially influenced by formal and informal education. Furthermore, Calvo-pardo and Haliassos (2019) in their study of understanding individual financial behavior through the perspective of the existence of groups or communities in the use of social media related to influencing individual financial behavior has the result that discussions in groups or communities do not have much influence on financial knowledge and behavior. Study results Mandell & Klein (2009) shows that individuals who take financial studies are not always better than individuals who do not take financial studies in managing finances. Individuals who do not have an orientation in saving tend not to have good financial behavior.

Research on the use of electronic payments for small and medium enterprises was conducted by Feerrar et al., (2020) shows the e-payments has a benefit for small and medium-sized businesses by providing discounts, free advertising, bonuses for the customer. In the other side the downside of e-payment is more the readiness of top up of their account in trading transaction. It was further found that the use of e-wallets for micro and small businesses is not really needed by service providers. The use of e-wallets for micro and small businesses has not been well received by consumers but it is enough to use more businesses than cash or physical money for consumers.

Based on the information and literature described above, that digital literacy for micro and small businesses is still low, this affects the ability to obtain funding sources and develop a limited business, the framework developed in this study is as follows:

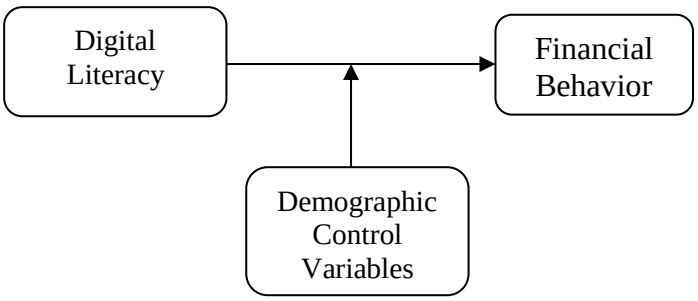

Figure 1 Research framework

Hypothesis:

H1 : it is suspected that the level of digital literacy affects the financial behavior of online loans

H2 : it is suspected that demographic variables affect the financial behavior of online loans

H3 : it is suspected that demographic variables moderate the level of literacy on the financial behavior of online loans

RESEARCH METHODOLOGY

This research is an explanatory study that aims to attempt the consistency a theory or hypothesis that has been done in previous research (Sugiyono, 2006). The population of this research is micro and small businesses that have Financial Technology information and knowledge of financial literacy. A *purposive sampling* technique approach was used on this study, and the sample elements of the object under study are selected based on certain considerations and criteria, namely micro and small business owner or individual who know about financial technology with an error tolerance of 10% with a total sample size of 100 respondents (Sugiyono 2008; Cooper and Emory; 1996). The type of questionnaire used is a Likert scale and the data analysis technique uses a partial least square (PLS) approach related to developing the model under study. Furthermore, the following is the definition operational of the variables of this study:

Table 2 Operational Definition of Variables

Research Variables	Measurement Indicator
Variables Dependents: (*Financial* behavioral *technology*)	1) Types of online loans 2) Online loan interest knowledge 3) Online loan information 4) Online loan information social media 5) The role of online loan decision-making 6) Usefulness of online loans
Variables Dependents: (Financial Literacy)	1) Online loan learning (PPO) 2) Critical assessment of online loans (PKO) 3) Understanding of Ethics in online lending (POE) 4) Creation and understanding (KDP
Control Variables (Demographic)	1) Gender 2) Age 3) Education level 4) Income

Source: Sulistianingsih & Riski, (2021)

Data Analysis

Hypothesis testing will be carried out using statistical tests in accordance with this research model. Data analysis using the *Smart PLS (Partial Least Square)* program. PLS is one of the variant-based SEM structural equation research methods and can simultaneously conduct measurement model testing as well as structural model testing. Measurement model testing is used for validity and reliability tests, so it is necessary to do some preliminary testing as a prerequisite for whether or not each question used in the model is feasible:

Test the *outer model* (*measurement model*)

The first stage in smartPLS assesses the outer model, which is the process of interaction of

indicators and latent variables required as a deviation from the mean value with the aim of seeing the relationship between indicators and their constructs. There are three criteria for assessing the outer model, namely *convergent validity, discriminate validity,* and *composite reliability*. *Convergent validity of* the measurement model with reflexive indicators is assessed based on the correlation between item score/component score calculated by PLS.

The validity test aims to measure how well the instrument used measures the concept under study. There are 2 (two) validity tests, namely convergent validity, and discriminant validity. Hair et al. (2010) states that the rule of thumbs commonly used as an initial check of the factor matrix of ± 0.30 to ± 0.40 is considered to have met the minimum level for interpreting a construct. Practically, factor loading values > 0.50 are considered significant. Convergent validity of the measurement model with reflexive indicators is assessed based on the correlation between item score/component score calculated by PLS. An individual reflexive measure is said to be high if it correlates more than 0.70 with the measured construct. Abdillah and Hartono (2015) state that the rule of thumbs used for convergent validity is> 0.70, communality> 0.50 and the Average Variance Extracted (AVE) value is more than 0.50. Loading scores between 0.50-0.70 can be retained or do not need to be deleted if the indicator's AVE communality score is > 50.

The reliability measurement method is carried out using Internal Consistency by looking at the Cronbach Alpha coefficient as the coefficient of reliability. The Cronbach Alpha coefficient can be interpreted as a positive relationship between items or questions with one another. If the resulting Cronbach Alpha coefficient is greater than 0.7, the instrument being measured is acceptable (Hair, J. F., Hult, G. T. M., Ringle, C. M., & Sarstedt, 2017).

Discriminant validity of the measurement model with reflexive indicators is assessed based on the cross loading of measurements with constructs. Another method for assessing discriminant validity is to compare the root of average variance extracted (AVE) value of each construct with the correlation between constructs and other constructs in the model. If the AVE value of each construct is greater than the correlation value between constructs and other constructs in the model (>0.50), it is said to have good discriminant validity value. For composite reliability, the criteria for eligibility in this model are if the resulting value is greater than 0.6.

Test the *inner model* (*structural model*)

Testing the inner model or structural model is carried out to see the relationship between constructs, significant values and R-square of the research model. The structural model is evaluated using R-square for the dependent construct, *stone-geisser Q-square test* for *predictive relevance* and t-test and significance of the structural path parameter coefficients. Changes in the *R-square* value can be used to assess the effect of a particular independent latent variable on the dependent latent variable whether it has a substantive effect.

Hypothesis Testing

Hypothesis testing using full model structural Equation modeling (SEM) analysis with smart PLS. In full model structural Equation modeling in addition to confirming the theory, it also explains whether there is a relationship between latent variables. Inner *model* or structural model testing is carried out to see the relationship between constructs. *Inner model* testing is also a test of the relationship between latent variables. Because the PLS procedure does not have a standard deviation or *standard error* value in its calculations, testing whether there is a relationship between variables is done using the *bootstrapping* method. The results of the significance of the estimated parameters provide very useful information about the relationship between the research variables. The limit for rejecting and accepting the proposed hypothesis is +1.645, for p < 0.05 where if the calculated t values < t table (1.645) then the alternative hypothesis (Ha) will be rejected or in other words accept the null hypothesis (H0).

RESEARCH RESULTS AND DISCUSSION

Respondent demographics

The demographic characteristics of respondents in this study consist of gender, age, education, and income. The results of the classification of demographic characteristics of respondents can be seen in table 3 below:

Table 3. Respondent Demographics

Description		Percentage
Gender	Male	37.6
	Female	62.4
	Total	100.0
Age	< 25 Years	53.5
	> 25 - 40 Years	11.9
	> 40 - 55 Years	19.8
	>55 Years	14.9
	Total	100.0
Education	HIGH SCHOOL	40.6
	Diploma/Graduate	41.6
	Postgraduate	17.8
	Total	100.0
Income	less than Rp. 3 million	59.4
	Rp. 3 million - Rp. 5 million	11.9
	More than Rp. 5 million	28.7
	Total	100

Source: Data processed (2023)

Table 3 shows that respondents are dominated by female gender (62.4 percent), age less than 25 years (53.5 percent), high school education and diploma each more than 40 percent and income less than 3 million at 59.4 percent. Furthermore, the following results of descriptive statistic and normality assessment in this study:

Table 4 ***Descriptive Statistics and Normality Assessment***

Construct	Item	Min	Max	Mean	Standard Deviation	Excess Kurtosis	Skewness
Demographics	Gender	1	2	1.624	0.484	-1.766	-0.519
	Age	1	4	1.96	1.151	-1.143	0.671
	Education	2	4	2.772	0.73	-1.05	0.386
	Income	1	3	1.693	0.887	-1.436	0.649
Financial behavior	Types of online loans	1	4	2.01	0.917	0.06	0.84
	KnowledgeinterestOnline lending	1	3	1.802	0.856	-1.542	0.397
	InformationOnline lending	1	3	2.178	0.938	-1.794	-0.366
	InformationOnline lendingMedsos	1	3	1.535	0.59	-0.565	0.599
	Role of online lending decisions	1	3	1.505	0.766	-0.36	1.124
	UsabilityOnline lending	1	5	1.762	1.268	1.994	1.791
Digital Literacy	PTK	1	5	3.238	0.935	-0.309	-0.422
	PPO	1	5	3.554	0.861	-0.075	-0.407
	PTO	1	5	3.733	0.866	0.974	-0.84
	PKO	1	5	3.545	1.02	0.402	-0.748
	POE	1	5	3.297	1.02	-0.162	-0.344
	KDP	1	5	3.762	1.006	0.142	-0.687

Source: Data processed (2023)

Table 4 describes the number of valid sample measurements (N), minimum value, maximum value (max) average value (Mean) standard deviation (Std), skewness and kurtosis of each variable. The skewness value is a measurement of the histogram symetry, meanwhile the kurtosis is a measurement of the flatness or pointedness of the histogram. Statistically, the value of skewness and kurtosis in a normal distribution is 0. Moreover, if the skewness value

is positive, the data dispersion is "skewed to the left of the normal distribution" (there are some the highest frequency of values to the left of the midpoint of the normal distribution), meanwhile if the skewness is negative, the data distribution is "skewed to the right of the normal distribution" (left for us who see it). Meanwhile, if the kurtosis value is positive then the data placement is "tapered" (there is one value that dominates), otherwise if the kurtosis is negative then the data allocation is sloping (large variance). The standard deviation of all variables is lower than the mean, so this results indicates that there are no outliers or extreme data in this study.

Data Analysis

Hypothesis testing will be carried out using statistical tests in accordance with this research model. A variant-based structural equation research modeling by using *SmartPLS version 3.0* was applied in this study. Measurement model on this study consist of outer and inner models, so it is necessary to do some preliminary testing as a prerequisite for whether or not each question used in the model is feasible.

Test the *outer model* (*measurement model*)

In table 5, the validity test on each indicator construct is declared valid with the loading value for all indicators above 0.50. The AVE and communality values of the indicators are above 0.50, which indicates the specified indicators have been able to measure each construct (laten variabel). Furthermore, convergent validity on this study indicates a higher correlation among indicators that compose a latent variabel, and this study already fit the convergent validity criteria. Disicriminant validity is used to identify the values of cross loading of indicators among the latent variabel, if the indicators have the highest factor loading value on the intended construct when compared to the factor *loading* value on other constructs it means the indicators is valid to uses as measurement model. The results of that both measurement shows the constructs tested are valid and can be used in further measument (inner model analysis). Reliability measurement is use to prove the accuracy and consistency by using the cut of > 0.7. This study found the indicators have a high *Cronbach's Alpha* and *Composite Reliability* value which is greater then 0.7. For more details, the following are the results of the outer model test from this study:

Table 5 *Convergent Validity and Reliability* Results

Construct	*Item code*	*Item*	*Outer Loading*	*Cronbach's Alpha*	*Composite Reliability*	*Average Variance Extracted (AVE)*
First order Construct						
Digital Literacy	KDP		0.736	0.876	0.909	0.667
	PKO		0.841			
	POE		0.894			
	PPO		0.830			
	PTK		0.632			
	PTO		0.731			
Financial Behavior	Role of online lending decisions		0.793	0.368	0.760	0.613
	UsabilityOnline lending		0.772			
Demographics	Education		0.828	0.825	0.894	0.738
	Income		0.875			
	Age		0.873			

Source: Data processed (2023)

Test the *inner model* (*structural model*)

R^2 included and *R^2 excluded* are the measurement of the R-square of the dependent latent variable which is the latent variable predictor is used or excluded in the structural equation. The value of R square as a parameter of predictive accuracy in this study is 0.262. This study also uses the *Q-square predictive relevance* for the construct model. A *Q-square predictive relevance* measures how well the observed value is generated by the model, if the value greater than 0 indicates that the model has *predictive relevance*. For more details, here is the R-square value from the results of this study:

Table 6. *Q-square predictive relevance* results

R-Square		
	R Square	R Square Adjusted
Financial Behavior	0.262	0.247

Source: Data processed (2023)

The table below also shows that the F-square value is greater than 0, it means the model has relevant predictive value.

Table 7 Predictive Relevance Results

F-Square	Demographics	Digital Literacy	Financial Behavior
Demographics			0.089
Digital Literacy_			0.212
Financial Behavior			

Source: Data processed (2023)

Hypothesis Testing

Hypothesis testing is carried out based on the results of testing the inner model (Structural model) which includes the R-square out put, parameter coefficient and P-Value. This tempt was carried out by using the *bootstrapping* method on the research sample. This test uses *bootstrapping* intended to minimize the abnormalities problems in the data. Furthermore, this research model is described in the following model:

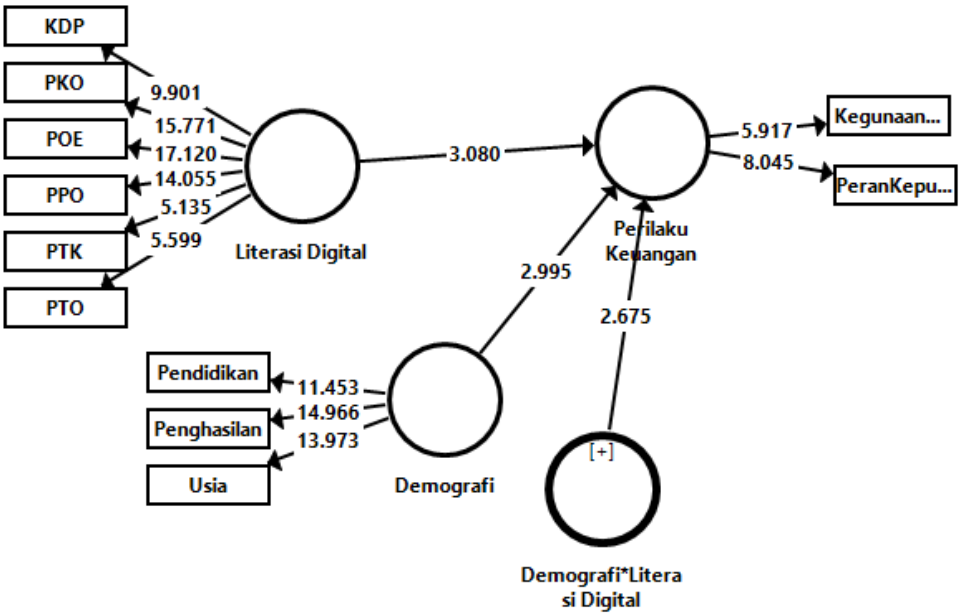

Figure 2 Research Model after Boostrapping Financial Behavior

The results of this study shows on this table 8 with the endogenous variable is financial behavior.

Table 8 Path Coefficient and result of Hypotheses Testing

Hypothesis	Path	Stdr Beta	Stdr Error	T-Value	Bias	Confidence Interval		Decision
						2.5%	97.5%	
H1	Digital Literacy -> Financial Behavior	-0.317	0.103	3.080	-0.004	-0.498	-0.099	Hypothesis Accepted
H2	Demographics -> Financial Behavior	0.246	0.088	2.804	0.005	0.070	0.389	Hypothesis Accepted
H3	Demographics*Digital Literacy -> Financial Behavior	-0.291	0.116	2.510	-0.008	-0.493	-0.060	Hypothesis Accepted

Source: Data processed (2023)

Table 8 shows that there is an significant effect of online lending digital literacy on financial behavior, this can be seen in the t-value of 3.080 greater than the t statistic cut of 1.960. These results indicates there is a sufficient observational evidence to accept the hypothesis 1 (H1). The path coefficient shows a negative sign, it is means a higher level of digital literacy will decrease the use or decision of online loans by respondents. Hypothesis 2 (H2) shows that there is an significant effect of demographic variables on financial behavior, this can be seen in the t-value of 2.804 greater than the t-statistic of 1.960. These results reveal a sufficient empirical evidence to accept hypothesis 2 (H2), which states that demographic factors influence financial behavior. The path coefficient shows a positive sign, meaning that the increasing demographic factors will increase the financial behavior of respondents. Furthermore, hypothesis 3 (H3) shows demographic factors as variables that moderate digital literacy on financial behavior which is the results of t value greater than t statistic (2.510 > 1.960). These results sufficient evidence that the stating demographic factors as variables that moderate (weaken the relationship) digital literacy on financial behavior (hypothesis 3 accepted).

DISCUSSION

This study envince people with better the digital literacy have an impact on decrease financial behavior in a positive way. A well person's education on online loan digital knowledge has a better way to behave while needed a potential or an opportunity funds offering by online loans. In addition, it is can be understood because the types of loans they know are almost 50% illegal loans. The usefulness of this online loan is mostly used to increase capital 61.4%. This study has a wide perspective if compare with previous studies which is conducted by Shen, Hu, & Hueng, (2018) shows that financial literacy has a positive and significant effect on financial inclusion. Financial literacy provides financial knowledge and skills, which can help consumers make financial decisions. A certain level of financial literacy is required to use digital financial products and manage risks properly. Empirical study Susanti, Hardini, & Bahtiar, (2020) stated that there is a significant trend of changing consumer behavior to shop online and use financial technology.

Digital literacy on online loans is the ability to evaluate the variety of informations and products offering by loan providers. Digital literacy in online lending is very important to apply in the Indonesian context, especially in the post-Covid-19 pandemic period, where most activities are carried out using technology and the internet. This study revealed that almost 50% of respondents' online loan information was obtained from SMS, an understanding of digital literacy is needed to provide guidence to find out how to gather a better information by using the internet that will provide security and minimize online crime that is happening lately by getting caught in online loans.

The results of Hypothesis 2 (H2) state that demographic factors affect financial behavior. The path coefficient shows a positive sign, meaning that the increasing demographic factors will increase the financial behavior of respondents. This study are in line with empirical studies Azeez & Akhtar (2021) determining factors such as education level, income, occupation, gender, ration card and land ownership have a positive coefficient and significant effect with the digital financial literacy of respondents in rural areas. In line with the study of H.Sulistianingsih, et all (2021) demographic factors (age, education) affect financial behavior in terms of funding decisions. Study conducted (Riski et al., 2019; Riski & Sulistianingsih, 2020) found that there is a significant influence of financial literacy and social media on financial behavior in college students.

Sariwulan, Suparno, Disman, Ahman, & Suwatno, (2020) also has a simillar finding which is describes the digital literacy has the greatest direct and indirect effect on SMEs performance; and also has a importance way to widing the business networks. Furthermore, management skills by enchance the organizational capabilities and organizational learning are able to scale up the business performance and financial performance. Hence, the entrepreneur's ability to manage a business organization is also important in achieving business success.

Hypothesis testing 3 (H3) states that demographic factors as variables that moderate digital literacy on financial behavior are proven. Demographic factors in this study such as education, income and age has negatively moderate the digital literacy variables on financial behavior. This finding also shows the demographic factors have a role to decrease the decisions of online loans by increasing of tehe digital literacy, age maturity and income, especially illegal ones. In this study, respondents (almost 50%) know that the type of product and information loans are illegal. The use of online loans is mostly used to increase capital 61.4%. The results of this study are in line with a study conducted by Mirsha (2018) that demographic factors have an influence on the financial behavior of investors. It has an interesting implication that demographic factors that tend to be supported by social involvement provide reinforcement of related individual demographic characteristics in financial decision-making behavior. This also has the relevance of individual decisions on related financial management in minimizing risk uncertainty over future financial investments.

Conclusions and Suggestions

The important thing in this study is that the majority of respondents are dominated by productive age who have a high intensity in utilizing peer-to-peer lending (P2P lending) information technology. This study also shows the significance of financial literacy and demographic factors in influencing financial behavior. Demographic factors are significantly able to moderate financial literacy on financial behavior. The study also show that it is important for future researchers to make risk preferences and social environment a relevant approach in measuring individual financial behavior related to building a positive and wise perspective in using peer-to-peer lending (P2P lending).

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