This study aims to determine the construct validity test on student financial education as an investor in the investment gallery universities in Medan. The analysis is confirmatory factor on the instrument test the financial education of students using a structural equation model. This instrument is tested on all students enrolled as an investor in the gallery investment of USU and UINSU. The samples used were 100 by taking the standard number of samples deemed most fit with SEM analysis. The sampling technique is purposive sampling with criteria (1) has been an active investor more than 1 year (2) have an extra income besides parents allowance (3) attended finance courses such as financial management, portfolio or capital market class. The data used is empirical data using a questionnaire. Results of confirmatory analysis proved that the entire instrument financial education: (1) get the book of knowledge of various products / financial services (2) get the complete information about the basic features of the product / financial services (3) gain knowledge about the benefits of the product / financial services (4) gain skills in managing the benefits, risks, costs of products / financial services is statistically significant as a predictor for student financial education. This means that financial education can be measured by the entire instrument and indicates that the construct validity is proven.

**Keywords**: construct validity, confirmatory factor analysis, structural equation model, financial education, investment gallery

**Introduction**

Lack of public knowledge about financial management result in low quality of financial behavior and financial decisions taken by the community. This is evident from research conducted by Mandell, (2009), financial literacy leads to a person's ability to manage the finances and financial decisions both long term and short term. So that financial education program to be one of the most effective solutions to improve people's financial literacy. Another study about the level of financial literacy of students is Nababan and Sadalia (2012) which states that the level of financial literacy of students still at a low category. Financial Services Authority (OJK) (2013) states that the level of financial literacy in Indonesia is still low at 21.8% figure indicates a low financial knowledge of Indonesian society so that people do not recognize investment products such as stocks, bonds, mutual funds, insurance and banking products. This is a predictable consequence of our society is still not financially literate. This fact is also corroborated by a survey in 20 provinces with respondents as many as 8,000 people. One survey showed that of Capital Markets sector find only 4% of the 8000 respondents who recognize familiar with the capital market. Then the results of a national survey of financial literacy Financial Services Authority (OJK) shows that only 28% of students or students who have a good level of literacy by the utility level only in number 44%.

Financial education is one of the National Strategy for Financial Literacy which is run by the Financial Services Authority (OJK) in order to increase the financial knowledge and skills of the communities in managing their personal finances. Education and socialization requires the design according to the type and preferences of society so that the goal can be achieved socialization and education. OJK launched several instructional books adapted to the curriculum
of education in Indonesia to support financial education in Indonesia. Media and school or university plays an important role in supporting the financial literacy levels of society, especially students through education and promotion of financial products. Widayati (2012) describes the learning in higher education is very important in the process of formation of financial literacy of students.

In addition through high school and college, learning media and get information about financial literacy conducted by Kursus-finance course that teaches skills in managing finances. Even this method becomes more attractive for the students than through formal education because they get immediate governance practices to manage finances properly, and taught how to choose appropriate investments long-term needs in the future.

Therefore, it needs the appropriate predictor for measuring financial education is right and proper for students to successfully improve the financial literacy of students. Activity measurement and assessment is a proper information gathering efforts of the respondents about the financial education program for the respondent students. The information obtained will be the basis for decision making. So as to obtain the correct information and appropriate decision required a good measuring tool that qualify are evident truth of validity construct and reliability. The validity of the measuring instrument is closely related to a group that will be measured because it applies only to the tested group or other groups which have the same conditions and characteristics (Suryabrata, 1984).

A comprehensive analysis models in construct validity test is factor analysis which consists of an explanatory factor analysis and confirmatory factor analysis. Confirmatory analysis performed by structural equation modeling (structural equation modeling). Put simply done by correlating the score of each item with the total score for a test device has been tried first.

**Theory**

**Validity test**

Understanding the validity of a test can not be generalized to all measuring tools. Valid sizes on a test can only be used on one particular measure of interest. Therefore, a valid statement "this test is valid" can not be used because they are not true (Susongko, 2010). Validity is an integrated picture of the establishment of an evaluation form and a basic degree of empirical evidence supports the theory that the adequacy and appropriateness of the actions and conclusions are based on test scores and other assessment models (Susongko, 2010). Validity also in terms of the dimensions of content validity, construct validity, and validity of instructional (Mansur et al., 2009).

Validity test on financial education is already having a clear domain, but still need to test the validity of construct, because it needs the confirmation of the validity of the data content created with empiric after the trial. Tests financial education is usually tested for validity through the lattice statement about the way in providing knowledge and skills in financial management. But yet has defined competency standards consistently and have certain standards.

The analysis model is considered most appropriate to test the validity of this is the analysis of factors including the explanatory factor analysis and confirmatory factor analysis through a structural equation model (structural equation modeling).

**Structural Equation Model**
Structural Equation Modeling has two important parts of measurement models with confirmatory analysis and structural models through regression models. The model aims to determine the accuracy of measurements on the test tool used by researchers while structural models aimed to test the theory or the relationship of each concept in the study. Mechanical structural equation model was considered more appropriate because the researchers used two measures can be used at once simultaneously and researchers also can make modifications to the model to fit the data used. In addition to the confirmatory analysis can be simultaneously determined the reliability of each concept and indicators at once simultaneously and comprehensively (Susongko, 2010).

Hypotheses
All these factors taken as predictors of financial education, theoretically proved the truth of the construct validity and expressed statistically significantly able to measure the financial education of students.

Research Purposes
This study aims to determine the construct validity test through the test confirmatory factor analysis on financial education of students as investors registered in the gallery investment in North Sumatra University (USU and the State Islamic University of North Sumatra (UINSU).

Research Methods
The population of this study were students enrolled as an investor in the gallery investment in North Sumatra University (USU) and the State Islamic University of North Sumatra (UINSU). The sample used for the study were 100 respondents taken by purposive sampling, with criteria (1) has become the investor of at least 1 year (2) has a source of extra income in addition to an allowance (3) already have courses financial management, portfolio and market capital. The data used are primary data through questionnaires and secondary data that support the primary data. Engineering test data analysis is confirmatory factor analysis (CFA) with structural equation model (Structural Equation Modeling (SEM)). Through a simple method of construct validity was done by (1) discuss the confirmatory factor analysis as part of a structural equation model as a method to test the construct validity financial education student (2) to test the construct validity with a structural equation model using the data empirically test the financial education of students , The tools used are AMOS.

Data Analysis and Results

Descriptive statistics
Through descriptive statistics note that survey respondents of this study are students who registered as an investor with the age of 15-25 years there is as much as 95%, while the remaining 5% are students who are over 25 years old. Based on the level of education of the amount of 95% of 15-25-year-old is a graduate student and the remaining 5% is a graduate student.

The survey respondents also note that the majority of the investors’ women are 64%, while 36% are male. So as unknown women considered to be more aware to keep their funds in the form of investment compared to men who are considered more consumptive. Then known of all the investors only 83% stating they understand the capital market with good products, while 17% are not very understanding of capital market products and mentioned that they become investors simply because simply along with friends and also because it follows the instruction of educators on campus. But of all respondents who became deeply investor note that despite them being a capital market investors, the amount of which is more trust in real assets more at 56% compared with that believes in non-real assets is as much as 44%. So there are indications though they pick stocks as a form of investment, they remain more confident
with the form of investments in real assets because there is a perception more secure and not at high risk.

The survey results also show that the majority of students who become new investors’ new investment undergo 1 year is 48%, while the remaining 52% were investors who are already investing over 1 to 3 years. Data on the educational background of their parents is known that the majority of students who become investors is the son of parents with a high school education that is as much as 45% and her parents are self-employed work as much as 85% with revenues of 1-1.5 million by 90%. These data show the family's socioeconomic status of students is low. They stated that their goal is to try to learn to invest in preparing for the future with better and to support their families better.

Characteristics of the last of the students is 80% of them are investors who claim that financial education is given to those deemed not maximized and considered not managed to increase their knowledge and skills about managing finances and choosing investments appropriately and correctly. For those who are given financial education on campus is part of the curriculum of the courses to be followed during follow lectures on campus. While the remaining 20% stated that they strongly agreed that financial education is given on campus through the course of financial management, capital markets, portfolio into one of the media for them to improve their knowledge and skills in financial management and choosing the right investments beneficial long term for their future.

**Test Results CFA (Confirmatory Factor Analysis)**
This study presents a financial education as measured by the following factors:

![Figure 1. Model of Financial Education](image)

Pictures of the model shows that financial education of students is measured by several factors: (1) the availability of books of knowledge about financial products and services (2) the availability of information about the basic features of financial products and services (3) gain knowledge about the benefits, risks and costs of products / financial services (4) acquire the skills to manage the benefits, risks and costs of products / financial services. The model proposed in this study should be tested for compliance with the model Goodness of Fit Index table below:

<table>
<thead>
<tr>
<th>Goodness Of Fit Index</th>
<th>Cut-Off Value</th>
<th>Results Analysis</th>
<th>Evaluation Model</th>
</tr>
</thead>
<tbody>
<tr>
<td>$\chi^2$ - Chi-square</td>
<td>expected to be small</td>
<td>10.620</td>
<td>Good Fit</td>
</tr>
<tr>
<td>probability</td>
<td>$\geq 0.05$</td>
<td>0.031</td>
<td>marginal Fit</td>
</tr>
</tbody>
</table>
The data in Table 1 shows that this research model meets the criteria of Goodness of Fit Index. Therefore, this research model, all variable factors that measure the financial education of students said to be a fit model. So that the construct validity tests is proved the truth on factors that measure variables of financial education. But do not stop there, the next one should be tested the level of significance of each correlation between variables that measure with financial education. The significance level output relationship can be seen from the following regression weight:

The results in Table 2 are used as information to prove this hypothesis.

<table>
<thead>
<tr>
<th>Relationship Between Variables</th>
<th>Estimate</th>
<th>P</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Book of knowledge products / financial services → financial education</td>
<td>.869</td>
<td>0.000</td>
<td>significant</td>
</tr>
<tr>
<td>Basic features product information / financial services → financial education</td>
<td>1.070</td>
<td>0.000</td>
<td>significant</td>
</tr>
<tr>
<td>Knowledge about the benefits, risks and costs of products / financial services → financial education</td>
<td>0.592</td>
<td>0.042</td>
<td>significant</td>
</tr>
<tr>
<td>Skills to manage the benefits, risks and costs of products / financial services → financial education</td>
<td>0.648</td>
<td>0.050</td>
<td>significant</td>
</tr>
</tbody>
</table>

a. Financial education can significantly be measured by the availability of books of knowledge of products and financial services in particular instrument with significant value of p (0.000) and the loading factor (0.869)
b. Financial education can significantly be measured by the absence of full information about the basic features of financial products and services in particular investment instrument with a significance value of p (0.000) and the loading factor (1.070)
c. Financial education can significantly be measured by their complete knowledge about the benefits, risks and costs of financial products and services in particular investment instrument with significant value of p (0.042) and the loading factor (0.592).
d. Financial education can significantly be measured by their skills training about managing the benefits, risks, and costs of products and financial services in particular investment instrument with significant value of p (0.050) and the loading factor (0.648).

**Regression Test Item Weight On Predictors Factors Build Financial Education**

All these factors proven predictor of financial education to abide by the loading factor > 0.50 (Ghozali, 2006), so that the entire predictor truth proved the validity of invalid constructs. In addition, each item measures the predictor variables factor into financial education is also evident truth konstruknya validity because it meets the loading factor value of 0.50 (Ghozali, 2006). Here, the output value of the whole grain loading factor for the predictors factors that measure the financial education of students.
Discussion

Results of confirmatory factor analysis test is known that all the factors that make financial education students meet the loading factor values set out in this study is 0.50 (Ghozali, 2006). There are four factors that play a role as a predictor of financial education of students, namely (1) the existence of a book of knowledge about financial products and services (2) complete information about the basic features of financial products and services (3) provides knowledge about the benefits, risks and costs of the products and financial services (4) provide skills about managing the benefits, risks and costs of financial products and services, proved the truth of the validity konstruknya and statistically significant as a predictor for student financial education. Availability of books of knowledge about financial products and services and complete information about the basic features of financial products and services in full accordance with the needs of the students to be the most significant predictor of the most powerful and act as a predictor for the role of financial education provided to students. Other studies that give the same responses are Shim et al., (2010)which states that the financial education of formal schooling and work experience can predict how the level of financial knowledge possessed by a student. But for children who get a good example of managing the finances of their parents will better influence on financial knowledge possessed compared with the education of the school and the experience of the workings.

Financial education methods that are considered effective in this study is through classes and seminars on effective financial given to students will be able to change the level of financial literacy of students become better. The results are consistent with the Lusardi and Mitchell (2007). Which states that the financial literacy level overview of the knowledge and skills of students, related to financial education so that necessary adjustments in the information and formulate pensions properly. They found that students who get the right information and knowledge about financial products and services, how to manage finances properly can improve their financial literacy, better able to answer a variety of questions about the economy posed to him. So it concluded that a person with low financial literacy is evidence that the level of financial knowledge and information about the products and financial practices of its bit.

Lusardi (2004) mentioned that through financial education families are able to raise finance and property owned, especially for people whose level of education is low. One is about a financial seminar that provides information on preparation for retirement to encourage the accumulation of wealth and enhance financial security in retirement. other than that Lyons& Hunt (2003), Stated in his research that the students require financial education that are specifically given to them, want a specific financial information and how the information delivery that is appropriate to their needs. Students need information about financial aid and how to be responsible for the credit. Students preferred the discussion among the students, create small groups accompanied by a financial aid officer. University administrators and finance professionals can apply this information to develop appropriate resources to meet the needs of financial education in college. Mandell (2012), In her study also states that the impact of the lack of financial knowledge is causing many people who fail to make good financial decisions for their lives. So it becomes very important to provide financial education for children early and deepen financial knowledge to children at the college level. Financial education proved able to increase significantly the financial knowledge. The school must provide the concept of financial education in accordance with the level of knowledge and thinking of students, providing education in full each semester, include the games attractive financial contains information about how to manage and save money, provide seminars for about retirement preparation accompanied how to set up savings and credit,
Conclusion

Based on the results of confirmatory analysis proved that (1) the availability of books of knowledge about financial products and services (2) the availability of information about the basic features about the financial products and services (3) given the knowledge about the benefits, risks and costs of financial products and services (4) given skills about managing the benefits, risks and costs of financial products and services expressed the truth and validity of truth is statistically significant as a predictor of student financial education. This means stated that the financial education of students who are registered as investor at galleries investment USU and UINSU can theoretically be measured with latent variables (1) the availability of books of knowledge about financial products and services (2) the availability of information about the basic features about the financial products and services (3) given the knowledge about the benefits, risks and costs of financial products and services (4) given the skills of managing the benefits, risks and costs of financial products and services.

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