

# The Effect of Entrepreneurship Education, Financial Literacy, Family Environment, and Love of Money on the Entrepreneurial Interest of Indigenous Papuan Students

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## Article Info

### Article history:

Received May, 2026  
Revised May, 2026  
Accepted May, 2026

### Keywords:

Entrepreneurship Education  
Financial Literacy  
Family Environment  
Love of Money  
Entrepreneurial Interest

## ABSTRACT

The high unemployment rate in Papua underscores the need to foster entrepreneurial interest among young people, particularly Indigenous Papuan (Orang Asli Papua/OAP) students. This study examines the effect of entrepreneurship education, financial literacy, family environment, and love of money on the entrepreneurial interest of OAP students in the Department of Management, Faculty of Economics and Business, Cenderawasih University. A quantitative approach with an associative-causal design was employed. The sample comprised 65 respondents selected through purposive sampling, namely OAP students who had taken the entrepreneurship course. Data were collected using a Likert-scale questionnaire and analyzed with multiple linear regression. The results show that entrepreneurship education ( $\beta = 0.512$ ) and love of money ( $\beta = 0.492$ ) have a significant positive effect on entrepreneurial interest, whereas financial literacy has a significant negative effect ( $\beta = -0.357$ ). Family environment ( $\beta = 0.067$ ) has no significant effect. Simultaneously, the four variables affect entrepreneurial interest ( $F = 13.244$ ;  $q = 0.000$ ), with a contribution of  $R^2 = 46.9\%$ , while  $53.1\%$  is explained by other variables outside the study. These findings indicate that hands-on entrepreneurial learning and an internal orientation toward money are stronger determinants of OAP students' entrepreneurial interest than the family environment.

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## 1. INTRODUCTION

Unemployment is a serious problem in Papua Province. The number of unemployed people rose to 67 thousand, while the working-age population in August 2023 reached 3.26 million, an increase of 91,000 compared with August 2022. These conditions call for efforts to create employment, one of which is fostering an entrepreneurial spirit. Entrepreneurship is

regarded as one solution to unemployment, limited job opportunities, and poverty faced by almost all developing countries.

Education serves as an axis of social, economic, and political transformation, as well as a means of instilling values of independence in young people. Entrepreneurship education is a process of training students to face an uncertain future by equipping them with the capacity to create

ventures [1]. [2] identified the outcomes of entrepreneurship education, among them building innovative capacity, cultivating leadership, training organizational skills, and turning ideas into action.

Beyond education, financial literacy is also a concern. The phenomenon of financial illiteracy remains widespread in Indonesia. The 2019 National Survey on Financial Literacy and Inclusion (SNLIK), covering 12,773 respondents across 67 cities/regencies and 34 provinces, showed a national financial literacy index of 38.03% and a national financial inclusion index of 76.19% (OJK, 2019). Chen and Volpe (1998) classified financial literacy into three levels: below 60% is low, 60%–79% is moderate, and above 80% is high. Low financial literacy can cause adverse effects such as accumulating debt and bankruptcy [3], while students of the Faculty of Economics and Business are assumed to possess broader financial knowledge [4].

The family environment is also viewed as a factor shaping entrepreneurial interest. [2] identified three factors influencing entrepreneurial interest: personal factors, environmental factors, and sociological factors concerning family relationships. [5] formulated the components of the family environment as the way parents educate, the family's economic condition, relationships among family members, and parental understanding.

Another relatively recent factor of study is love of money. [6] introduced the concept of "the love of money" to measure a person's subjective feelings about money. [7] defined love of money as a person's behavior, understanding, desire, and aspiration regarding money. From a positive perspective, love of money can motivate individuals to work hard.

Management students at the Faculty of Economics and Business, Cenderawasih University, take the entrepreneurship course in their third semester, with a composition of 30 percent classroom theory and 70 percent entrepreneurial practice in groups of about 10 students. Each group is required to establish a business using pooled capital and sell

products through campus exhibitions. This practice-oriented learning context provides the basis for examining how entrepreneurship education, together with financial literacy, family environment, and love of money, shapes the entrepreneurial interest of OAP students.

Entrepreneurship education is expected to foster entrepreneurial interest because it equips students with the knowledge, attitudes, and skills to run a business [8], [9], as also found by [10], [11]. Financial literacy is regarded as contributing to entrepreneurial capacity through better financial management [12], [13]. The family environment, particularly parents' mindset and encouragement, is believed to influence children's attitudes toward business [14], while love of money as a person's attitude toward money can motivate involvement in entrepreneurship [15]–[17]. Based on this discussion, the study tests whether entrepreneurship education (H1), financial literacy (H2), family environment (H3), and love of money (H4) each affect entrepreneurial interest, and whether the four jointly have a simultaneous effect (H5), among OAP students in the Department of Management, FEB, Cenderawasih University.

## 2. METHODS

Research design. This study used a quantitative approach with an associative-causal design, aimed at analyzing the effect of the independent variables on the dependent variable. Data were collected through a survey using a questionnaire.

Population and sample. The population comprised all OAP students in the Department of Management, class of 2020. Sampling used the purposive sampling technique, that is, sample selection based on specific considerations [18], with the criterion of OAP management students who had taken the entrepreneurship course. The sample totaled 65 respondents.

Operational definitions and instrument. Entrepreneurial interest is shaped by four factors: entrepreneurship education

(X1), financial literacy (X2), family environment (X3), and love of money (X4).

1. *Entrepreneurship education* is defined as the process and activity of students taking the one-semester entrepreneurship course covering theory and practice, measured by the indicators: (1) understanding of basic entrepreneurial concepts and theory; (2) ability to generate innovative and creative ideas; (3) skill in preparing a simple business plan; and (4) courage and calculation in taking business risks.
2. *Financial literacy* is knowledge for managing personal finances, with indicators of knowledge, awareness, attitude, behavior, and skill in making financial decisions.
3. *Family environment* with indicators of the way parents educate, the family's economic

condition, relationships among family members, and parental understanding.

4. *Love of money* with indicators of money worshippers, money-repellants, and careless money-admirers.
5. *Entrepreneurial interest* with indicators of motivation, ability, personality, achievement, family encouragement, and peer environment.

Measurement. Each indicator was measured using a five-point Likert scale with weights of 5 (very good), 4 (good), 3 (fairly good), 2 (poor), and 1 (very poor).

Instrument testing. Validity was tested using corrected item-total correlation, and reliability using the one-shot method with a Cronbach's Alpha criterion  $> 0.60$  (Ghozali, 2005). The validity test showed all items valid ( $r\text{-count} > r\text{-table of } 0.244$ ), and all variables reliable (Cronbach's Alpha  $> 0.60$ ).

Table 1. Validity Test Results

Variable	Item	r-count	r-table	Description
<b>Entrepreneurship Education (X1)</b>	X1.1–X1.4	0.685–0.740	0.244	Valid
<b>Financial Literacy (X2)</b>	X2.1–X2.4	0.580–0.645	0.244	Valid
<b>Family Environment (X3)</b>	X3.1–X3.6	0.550–0.720	0.244	Valid
<b>Love of Money (X4)</b>	X4.1–X4.10	0.510–0.690	0.244	Valid
<b>Entrepreneurial Interest (Y)</b>	Y1–Y6	0.610–0.780	0.244	Valid

Table 2. Reliability Test Results

Variable	Cronbach's Alpha	Threshold	Description
<b>Entrepreneurship Education (X1)</b>	0.812	0.60	Reliable
<b>Financial Literacy (X2)</b>	0.765	0.60	Reliable
<b>Family Environment (X3)</b>	0.780	0.60	Reliable
<b>Love of Money (X4)</b>	0.845	0.60	Reliable
<b>Entrepreneurial Interest (Y)</b>	0.860	0.60	Reliable

Classical assumption tests. Prior to regression, tests were conducted for normality (Kolmogorov-Smirnov as well as the histogram and normal probability plot), multicollinearity (criteria of Tolerance  $> 0.10$  and VIF  $< 10$ ), and heteroscedasticity (scatterplot and Glejser test).

Analytical method. The analysis used multiple linear regression with the equation  $Y$

$= a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + e$ , where  $Y$  = entrepreneurial interest,  $X_1$  = entrepreneurship education,  $X_2$  = financial literacy,  $X_3$  = family environment,  $X_4$  = love of money, and  $e$  = error. Data were processed using IBM SPSS Statistics 25.

### 3. RESULT AND DISCUSSION

#### 3.1 Respondent Characteristics

By gender, respondents were dominated by females, 35 students (53.85%), and males, 30 students (46.15%). By age, respondents were dominated by 20-year-olds, 26 students (48.28%), while the fewest were 18 years old, 1 student (1.54%). By ethnic origin, the largest group was Serui, 13 students (20%), followed by Wamena, 9 students (13.85%). By parental occupation, the largest group was farmers, 20 people (30.77%), while the fewest were laborers, 1 person (1.54%).

### 3.2 Variable Description

Descriptive analysis showed respondent scores in the moderate category for all variables: entrepreneurship education (mean = 4.3885), financial literacy (mean =

3.9692), family environment (mean = 4.1282), love of money (mean = 3.6815), and entrepreneurial interest (mean = 4.1282).

### 3.3 Classical Assumption Tests

**Normality.** The Kolmogorov-Smirnov test yielded Asymp. Sig. (2-tailed) = 0.154 > 0.05, indicating that the residuals are normally distributed; this is reinforced by a bell-shaped histogram and points following the diagonal line on the normal probability plot.

**Multicollinearity.** All variables had Tolerance > 0.10 and VIF < 10, indicating no multicollinearity.

Table 3. Multicollinearity Test Results

Independent Variable	Tolerance	VIF	Description
Entrepreneurship Education (X1)	0.785	1.273	Free of multicollinearity
Financial Literacy (X2)	0.820	1.219	Free of multicollinearity
Family Environment (X3)	0.750	1.333	Free of multicollinearity
Love of Money (X4)	0.810	1.234	Free of multicollinearity

**Heteroscedasticity.** The scatterplot showed points scattered randomly with no particular pattern; the Glejser test produced significance values for all variables > 0.05 (X1 = 0.312; X2 = 0.185; X3 = 0.540; X4 = 0.422), indicating no heteroscedasticity.

### 3.4 Regression Analysis

**Strength of association.** The correlation coefficient  $R = 0.685$  (68.5%), and

the coefficient of determination  $R^2 = 0.469$  (46.9%). Thus, the four independent variables jointly have a strong relationship with entrepreneurial interest and explain 46.9% of its variation, while the remaining 0.531 (53.1%) is explained by other variables outside the study (e).

**Partial effect test (t-test).** The t-table value = 1.6706 (df = 65 - 5 = 60;  $\alpha$  5%). The t-test results are presented in Table 4.

Table 4. Partial Effect Test Results (t-test)

Independent Variable	$\beta$	t-count	Significance	Conclusion
Entrepreneurship Education (X1)	0.512	4.940	0.000	Significant positive effect
Financial Literacy (X2)	-0.357	-3.327	0.002	Significant negative effect
Family Environment (X3)	0.067	0.676	0.502	No significant effect
Love of Money (X4)	0.492	5.181	0.000	Significant positive effect

Entrepreneurship education has a significant positive effect ( $\beta = 0.512$ ; t-count = 4.940 > 1.6706; sig. 0.000 < 0.05), so H1 is accepted. Financial literacy has a significant negative effect ( $\beta = -0.357$ ; |t-count| = 3.327 > 1.6706; sig. 0.002 < 0.05), so H2 is accepted with a negative direction of effect. Family environment has no significant effect ( $\beta =$

0.067; t-count = 0.676 < 1.6706; sig. 0.502 > 0.05), so H3 is rejected. Love of money has a significant positive effect ( $\beta = 0.492$ ; t-count = 5.181 > 1.6706; sig. 0.000 < 0.05), so H4 is accepted.

**Simultaneous effect test (F-test).** The F-table value = 2.52522 (df1 = 4; df2 = 65 - 4 - 1 = 60;  $\alpha$  5%). The F-count = 13.244 with

significance 0.000. Since F-count (13.244) > F-table (2.52522) and  $q = 0.000 < 0.05$ , H5 is accepted: the four variables simultaneously affect entrepreneurial interest.

Regression equation. Based on the analysis, the following equation was obtained:

$$Y = 0.512X_1 - 0.357X_2 + 0.067X_3 + 0.492X_4 + 0.531$$

A summary of hypothesis testing is presented in Table 5.

Table 5. Summary of Hypothesis Testing Results

Hypothesis	Analysis Result	Conclusion
H1 – Entrepreneurship education → entrepreneurial interest	$\beta = 0.512$ (significant positive)	Accepted
H2 – Financial literacy → entrepreneurial interest	$\beta = -0.357$ (significant negative)	Accepted (negative direction)
H3 – Family environment → entrepreneurial interest	$\beta = 0.067$ (not significant)	Rejected
H4 – Love of money → entrepreneurial interest	$\beta = 0.492$ (significant positive)	Accepted
H5 – The four variables simultaneously → entrepreneurial interest	F-count = 13.244 (significant)	Accepted

### Discussion

The effect of entrepreneurship education on entrepreneurial interest. Entrepreneurship education has a significant positive effect on entrepreneurial interest. The better the entrepreneurship education students have, the higher their entrepreneurial interest. The entrepreneurship course offered in the third semester, with a composition of 30 percent theory and 70 percent practice—from business planning to simple financial reporting and selling products through exhibitions—provides direct experience that shapes interest. This finding aligns with Hurriah Ali Hasan's study on the importance of entrepreneurship education for young people through formal education, where educators' involvement determines the process of fostering entrepreneurial interest.

The effect of financial literacy on entrepreneurial interest. The analysis shows that financial literacy has a significant negative effect on the entrepreneurial interest of OAP management students at FEB UNCEN. In other words, the higher a student's financial literacy, the lower their entrepreneurial interest, and vice versa. This finding differs from several studies that found a positive effect of financial literacy on entrepreneurial interest [19], [20]. However, the negative direction found in this study is

consistent with studies indicating that financial literacy does not always drive entrepreneurial intention [21].

The effect of family environment on entrepreneurial interest. Family environment has no significant effect on entrepreneurial interest. The respondent characteristics show that parents generally work as civil servants (PNS), farmers, and private-sector employees, so the family environment does not encourage entrepreneurial interest. This finding aligns with [22] which found that the family environment had no effect, while entrepreneurial motivation and entrepreneurial knowledge did affect entrepreneurial interest. This result differs from the view of [23] that the family environment should strongly influence entrepreneurial interest.

The effect of love of money on entrepreneurial interest. Love of money has a significant positive effect on entrepreneurial interest. The higher a student's love of money, the higher their entrepreneurial interest. Love of money is not solely negative in meaning; from a positive perspective, it motivates individuals to work hard to achieve what they want. For individuals with a high love of money, possessing money represents an achievement and a symbol of freedom [24]. [25] also showed that a high level of love of

money is positively associated with entrepreneurial interest.

Simultaneous effect. Simultaneously, entrepreneurship education, financial literacy, family environment, and love of money affect entrepreneurial interest ( $F\text{-count} = 13.244 > 2.52522$ ;  $p < 0.05$ ), with a contribution of  $R^2 = 46.9\%$ , while 53.1% is explained by other variables. This result aligns with the study by [26], which found that entrepreneurial interest was 73.6% influenced by these four variables, with the remaining 26.4% influenced by other variables.

#### 4. CONCLUSION

This study concludes that entrepreneurship education and love of money have a significant positive effect on the

entrepreneurial interest of OAP management students at FEB, Cenderawasih University, with entrepreneurship education as the most influential variable. Financial literacy has a significant negative effect, while the family environment has no effect on entrepreneurial interest. Simultaneously, the four variables affect entrepreneurial interest with a contribution of 46.9%. Based on these findings, it is recommended that the entrepreneurship course be enhanced through visits to established businesses, that financial literacy education for students be strengthened, that a campus atmosphere encouraging entrepreneurship be developed through exhibitions and an entrepreneurship incubator, and that the entrepreneurship course collaborate with courses in marketing, finance, and business feasibility studies.

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