

ABSTRACT

The higher income does not make Indonesia particularly Bandung society became like to save. It can be seen from the increased in the gross regional domestic product which is not comparable with the existing savings funds. This happens because the people of Indonesia have low level of financial literacy. Financial literacy is an essential element that allows a people to achieve success in finance. Therefore, the purpose of this study is to develop a model to measurement financial literacy, testing the invariant proposed measure from three scales: Financial attitude, financial behaviors and financial knowledge. In this case, the surveys were conducted with 385 individuals in the community of Bandung. For the analysis of collected data using the Structural Equations Modeling (SEM). Valid Model shows that financial literacy is measured as a combination of financial attitude, financial behaviors and financial knowledge and also showed that the variable financial behavior is the most influential of financial literacy in the community of Bandung.

Keywords: Financial Literacy, Financial attitude, Financial Behavior, Financial Knowledge, Structural equations modelling.