

ABSTRACT

Currently, the level of financial literacy and financial inclusion in Indonesian people, especially the younger generation, is still considered very low. Therefore, the role of social capital in improving financial literacy and financial inclusion in society need special attention. Social capital is expected to become a mediator for improving financial literacy and financial inclusion. This study aims to decide the role of social capital as a mediator of the relationship between financial literacy and financial inclusion. In addition, this study also examined the direct effect of financial literacy on financial inclusion. The population of this study is all members of the Investor Saham Pemula Community a number of 320 members. Making the sample of this research using non-probability sampling technique with a sample size of 180 samples. This study adopts and uses Sobel and Kenny and Baron test to test the effect of mediation of social capital in the relationship between financial literacy and financial inclusion. The finding in this study is social capital exhibits partial form of mediation in the relationship between financial literacy and financial inclusion.

Keywords: Financial Literacy, Financial Inclusion, Social Capital, Mediating Effect, Youth Indonesia.