The Effect of Financial Literature, Lifestyle and Income of Parents on Student Financial Management Behavior

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ARTICLE INFORMATION

ABSTRACT

This This study aims to examine the effect of financial literacy, lifestyle and parental income on student financial management behavior. This research is quantitative research using an analytical tool, namely the Statistical Product and Service Solution or SPSS software. The population in this study were active students of STMIK AKBA in the information systems study program. The sampling technique used is simple random sampling, which is a random sampling technique without regard to the existing strata in the population. The number of samples in this research is 125 students. Data collection techniques used questionnaires and observations with financial literacy variables (X1), Lifestyle (X2), parents' income (X3) and financial management behavior (Y). The results showed that financial literacy had a positive and significant effect on the financial management behavior of students, while the lifestyle and income of parents had no effect on the financial management behavior of STMIK AKBA students.

Keywords: Financial Literacy, Financial Management, Income, Lifestyle, Student

JEL Classification: B26, G02

INTRODUCTION

Everyone, even students, is faced with the right financial choices and decisions that must be made immediately, so that it arises how to manage finances to get the maximum. Students are considered to have a high level of intellect, intelligence in thinking and good planning in action (Eldista et al., 2019). Personal financial management is very well implemented and carried out by a student in order to be able to control expenses and can make the right financial decisions. Likewise in financial behavior, a student is considered to have good personal financial management because the majority of students do not live with their parents so that students manage their own finances.

A student who experiences financial difficulties is caused by an error in financial management (Yushita, 2017). The difficulty that is often faced by students in conducting financial management is that students are often irrational in making financial decisions that are influenced by several factors and the risks they face. The difficulties encountered, will make the student accustomed to preparing financial plans every month by allocating the money earned into income and expenditure posts.

Based on data published by the Financial Services Authority (OJK), the Indonesian people's financial literacy index based on occupation in 2016 for the Student/Student group (cluster) is 23.4% composite, 23.2% conventional, and 5.3% sharia. Furthermore, based on age in 2016 for the 18-25 year old cluster, it was taken because it adjusted to the age of students in general, the Financial Literacy index for composites was 32.1%, conventional 32.0%, and 8.1% sharia (Chairani, 2019).

Empirical evidence of low financial literacy also occurs among students as revealed by (Chen & Volpe, 1998) that low student financial literacy occurs due to lack of personal finance education at universities. Good financial literacy must be owned by everyone to achieve prosperity in life. The ability to manage finances well and supported by good financial literacy is expected to increase the standard of living. This applies to everyone because no matter how high a person's income level, if managed properly, welfare will be difficult to achieve (Putri et al., 2021).

The ability of students who have not been maximized in controlling themselves is not able to be wise in using money, unable to control themselves when hanging out with friends or people. Students whose parents have different occupations so that their parents' income is also different. From the phenomena and results of research that has been carried out by previous researchers, the research is to examine the effect of financial literacy, lifestyle and parental income on student financial management behavior.

LITERATURE REVIEW

Theory of Planned Behavior
The theory of planned behavior was introduced by Icek Ajzen through his article "From Intention to Actions: a Theory of Planned Behavior." This theory was developed from the theory of reasoned action, which was also introduced by Icek Ajzen and his colleague Martin Fishbein in 1975. The Theory of Planned Behavior is a theory of reasoned action and the theory of planned behavior is a theory designed to predict and explain behavior in specific contexts (Ajzen, 1991). This theory assumes that a person's behavior is not only controlled by himself (full control of the individual), but also requires control, namely the availability of resources and opportunities and even certain skills, so it is necessary to add the concept of perceived behavioral control which is perceived to affect intentions and behavior.

Human behavior can be caused by different reasons or possibilities, this means that a person's beliefs about the consequences of attitudes/behaviors, beliefs about expectations of others and the existence of factors that might hinder the behavior (Sommer, 2011). This theory shows that backgrounds such as gender, age, experience, knowledge will affect a person's belief in something which will ultimately affect a person's behavior.

Financial Management Behavior
Financial management behavior is a person's expertise that is closely related to budgeting, checking, planning, managing, searching, controlling and storing daily financial activities (Fadli et al., 2020). Financial management behavior is a person's way of managing finances seen from one's psychology and habits.

Behaving in financial management is an activity to match incoming funds flows with financial plans that are made effectively (Humaira & Sagoro, 2018). Behavior in managing finances is related to the income, planning and use of money that has a specific purpose (Topa et al., 2018). Financial management behavior such as the way a person makes financial decisions, harmonization of one's motives and the company's financial goals (Mulyani & Desmintari, 2020).

One of the functions of financial management is funding decisions, where the funds are obtained from and how to manage them in order to generate profits (Yuniningsih, 2018). Without proper financial management, a person will find it difficult to allocate his finances for saving and investing activities. In addition, personal financial management behavior can also regulate personal finances so that they are issued in sufficient portions so that their use is more efficient. In financial planning, it must also be adjusted to the targets and goals of each individual. Indicators in measuring financial management behavioral variables are:
a. Financial planning
b. Financial Control
c. Financial Management
d. Financial Storage
e. Price Comparing Activities

Financial Literacy
Literacy is an individual's ability in order to processing and understanding information when reading or writing. Another definition about literacy by Education Development Center (EDC) is the ability of individuals to use all the potential and skill given in his life, rather than just reading and writing(Rizky, 2019). Financial literacy is how a person has knowledge and expertise and is accustomed to applying it to get good financial behavior, so that there is a relationship between financial knowledge and behavior with the concept of financial literacy (Ardila et al., 2021). Financial literacy is a person's knowledge and expertise in managing his finances with the aim of improving his financial well-being (Akmal & Saputra, 2016). Financial literacy has an impact on whether or not a person's financial management is good where good financial literacy will help manage finances well (Laily, 2016). Financial literacy is influenced by how to analyze a person's financial situation where this situation will affect the process of making good decisions in terms of finances and better financial arrangements for individuals (Anggraeni, 2015).

To be able to have financial knowledge requires an increase in skills in using financial products. Having a good knowledge of financial concepts is a basic need for everyone to be free from financial problems. Financial skills are a method of making financial decisions for yourself. Preparing a budget, selecting investments, choosing insurance

and using credit are forms of skills in using finance (Yusnia & Jubaedah, 2017). Indicators in measuring financial literacy variables are:

a. Basic Knowledge of Finance
b. Knowledge of Savings and Loans
c. Insurance Knowledge
d. Investment Knowledge

Lifestyle
Lifestyle is the whole of various methods, habits, behavioral structures, symbols, behavior of life, and mentality of a social circle that equally affects everyday life. Lifestyle is defined as a person's consumptive pattern as an activity wasting time and money. Hedonic lifestyle is a pattern of life where pleasure is the goal of life without thinking about the difficulties in life (Parmitasari et al., 2018). The hedonic lifestyle is influenced by the environment, especially the environment around students (Mufidah & Wulansari, 2018).

Hedonism is a form of expression or behavior of trying something new where fun is more important than doing positive things (Ramadhani et al., 2019). Lifestyle is believed to be self-evidence of a person's social status where his daily activities are following the latest trends and even more important than meeting his basic needs (Pulungan et al., 2018). Indicators in measuring hedonic lifestyle variables are:
 1) Activities
 2) Opinion or Opinion
 3) Interest
 4) Environment

Parents' Income
Central Bureau of Statistics, income is a reward or remuneration paid by the industry/office/employer to a person in the form of money or objects, or a reward received by a person in the form of objects whose value is adjusted to local prices. Parental income is the level of income that parents receive regularly every month from income, wages, or income obtained from personal businesses. Families that have a low economic level will tend to experience higher stress than those with a good economy, the difference in the economic level of this family will affect the behavior patterns and development of children including financial behavior (Duncan et al., 2018).

Based on the classification, the Central Statistics Agency distinguishes income into 4 groups, namely (Rakasiwi & Kautsar, 2021):
 1) Very high-income group, if the average income is more than Rp. 3,500,000.00 per month.
 2) The high-income group is if the average income is between Rp. 2,500,000.00 up to Rp. 3,500,000.00 per month.
 3) Medium income group is if the average income is between Rp. 1,500,000.00 up to Rp. 2,500,000.00 per month.
 4) 4) Low-income group is if the average income is Rp. 1,500,000.00 per month

Generally parents give money to their children to use as pocket money, but as a student you must be able to manage the money you get from your parents so that your needs can be fulfilled and parents don't need to add pocket money for their children anymore (Romadloniyah & Setiaji, 2020). Children's skills in managing their finances are largely influenced by the learning provided by their parents at home so that apart from acting as a source of income for children, parents also play a role in forming patterns of children's financial behavior.

RESEARCH METHOD

Types Of Research
This research is quantitative research using an analytical tool, namely the Statistical Product and Service Solution or SPSS software. This research is explanatory research. explanatory research, namely research that explains the causal relationship between several variables through hypothesis testing. Where this relationship can be through correlation or interrelated relationships, or to find out the contribution of a variable to other variables. This study describes financial literacy, lifestyle and parental income on student financial management behavior.

Population, Sample, and Sampling Technique
The population in this study were active students of STMIK AKBA in the information systems study program. The sampling technique used is simple random sampling, which is a random sampling technique without regard to the existing strata in the population. The number of samples in this research is 125 students.

Hypothesis
Based on the literature review above, the hypotheses in this study are:
H1: Financial literacy has an effect on student financial management behavior.
H2: Lifestyle has an effect on student financial management behavior
H3: Parental income has an effect on student financial management behavior.

Data Retrieval Technique
Data collection techniques using questionnaires and observations with financial literacy variables (X1), Lifestyle (X2), parents' income (X3) and financial management behavior (Y).

Data Analysis Techniques
This study uses regression analysis to determine how much influence the independent variable (X) has on the dependent variable (Y) with multiple linear regression equations as follows:

$$Y = a + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$$

RESULTS

Multiple Linear Regression Analysis
Multiple linear regression analysis was used to determine the effect of the independent variables, namely financial literacy (X1), lifestyle (X2) and parents' income (X3) on the variable, namely financial management behavior (Y). The results of multiple linear regression are presented in table 1 below:

Table 1. Recapitulation of Multiple Linear Regression Test Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	3.468	2.159		1.606	.111
Financial Literacy	.788	.104	.559	7.539	.000
Lifestyle	.133	.079	.126	1.675	.096
Parents' Income	-.183	.207	-.066	-.883	.379
R	.581				
Adjusted R Square	.321				
F	20.564				

Sig F	.000				

Based on table 1, the following multiple linear regression equation can be obtained:
Y= 3.468 + 0.788X1+0.133X2-0.183X3 + e
1) The constant value (a) is 3.9468, meaning that if the financial literacy variable (X1), lifestyle (X2) and parents' income (X3) the value is 0 (zero), then the financial management behavior variable is at 3,468
2) Regression coefficient (X1) from multiple linear calculations obtained coefficient value (b1) = 0.788 this means that every time there is an increase in financial literacy (X1), financial management behavior will increase by 78.8% assuming lifestyle variables (X2) and parent's income(X3) is constant.
3) Regression coefficient (X2) from multiple linear calculations obtained coefficient value (b2) = 0.133 this means that every time there is an increase in financial literacy (X2), financial management behavior will increase by 13.3% assuming lifestyle variables (X1) and parent's income (X3) is constant.
4) Regression coefficient (X3) from multiple linear calculations obtained coefficient value (b3) = -0.183 this means that every time there is an increase in financial literacy (X3), financial management behavior will increase by 18.3% assuming lifestyle variables (X1) and the parent's income (X2) is constant.

Coefficient of Determination
This analysis is used to determine the amount of contribution/contribution between Financial Literacy, Lifestyle and Parents' Income on Student Financial Management Behavior expressed in percentages. Based on the results of the analysis in Table 1. the value of the coefficient of determination (Adjusted R Square) is 0.321. This means that the contribution of Financial Literacy, Lifestyle and Parents' Income to Student Financial Management Behavior is 32.1% while the remaining 67.9% is influenced by other variables not discussed in this study.

F Test
The F test is used to test the effect between Financial Literacy, Lifestyle and Parents' Income simultaneously is significant or only obtained by chance. Based on the results of the analysis in Table 1, the calculated F value is 20.564 and the significance of F is 0.000 <0.05. shows that Financial Literacy, Lifestyle and Parents' Income simultaneously have a significant effect on Student Financial Management Behavior. It also means that all independent variables included in the model have a significant effect on the dependent variable together.

T Test
The t-test is used to test the effect of financial literacy, lifestyle and parental income partially is significant or only obtained by chance. Based on Table 1. the following conclusions can be drawn:
1) For Hypothesis 1
    Based on the results of the analysis, the tcount value for the Financial Literacy variable is 7.539 and the beta coefficient value is 0.559 and the significance is 0.000 <0.05. This shows that Financial Literacy has a positive and significant effect on Student Financial Management Behavior. It also means that hypothesis 1 is accepted.
2) For Hypothesis 2
    Based on the results of the analysis, the t value for the Lifestyle variable is 1.675, the beta coefficient value is 0.126, and the significance is 0.096 > 0.05. This shows that Lifestyle has no effect on Student Financial Management Behavior. This means that hypothesis 2 is rejected.
3) For Hypothesis 3

Based on the results of the analysis, the tcount value for the parental income variable is -0.883, the beta coefficient value is -0.066, and the significance is 0.397> 0.05. This shows that parents' income has no effect on students' financial management behavior. This means that hypothesis 3 is rejected.

DISCUSSION

In this discussion, the author explains the results of field research on each of the independent variables (financial literacy, lifestyle and parental income) and dependent (financial management behavior).

1) The Effect of Financial Literacy on Financial Management Behavior of STMIK AKBA Students.

Financial literacy has a positive and significant effect on the financial management behavior of STMIK AKBA students, meaning that the better the student's financial literacy, the better the student's financial management behavior. This is due to the basic knowledge of finance taught at STMIK AKBA. This research uses research conducted by Rizki Anugrah which states that financial literacy has a positive and positive effect on financial management behavior. This means that the higher one's financial knowledge and ability to implement financial aspects, one of which is the developed basic knowledge of finance, assets, debt and risk, the wiser financial behavior and effective management will be.

2) The Influence of Lifestyle on Financial Management Behavior of STMIK AKBA Students

Lifestyle has no effect on the Financial Management Behavior of STMIK AKBA Students. Student lifestyle is still high due to the environment and peers, where student activities are more outside so that it is likely to have an impact on consumptive lifestyles. The results of this study are not in line with research conducted by Delyana Rahmawany Pulungan, Murviana Koto, Lena Syahfitri which states that the hedonic lifestyle has been shown to have a positive and significant effect on the financial behavior of students in the Management Study Program, Faculty of Economics and Business, UMSU.

3) The Influence of Parents' Income on Financial Management Behavior of STMIK AKBA Students

Parent's income has no effect on the Financial Management Behavior of STMIK AKBA Students. some students in meeting their needs are not on their parents but looking for a side job. The results of this study are not in line with research conducted by Nita Sofia, Agus Irianto who said that if parents' income is high, their understanding and ability to manage finances is also good. Conversely, if the income of parents is low, the understanding and ability to manage finances will also be low and Gutter (2008) which states that students who have parents with high economic status will also have high knowledge, attitudes and behavior in financial management.

CONCLUSION

The results of the analysis discussed earlier; the following conclusions can be drawn:

1) There is an effect of Financial Literacy (Variable X1) on Financial Management Behavior (Variable Y). This kind of relationship implies that the higher/better the variable X1 (Financial Literacy), the higher the development of variable Y (Financial Management Behavior) of STMIK AKBA students. So, the first hypothesis (H1) in this study is accepted.

2) There is no influence of Lifestyle (variable X2) on Financial Behavior (variable Y). This kind of relationship implies that the X2 (Lifestyle) variable does not affect the Y

(Financial Management Behavior) variable for STMIK AKBA students. So, the second hypothesis (H2) in this study was rejected.

3) There is no effect of the parental income variable (Variable X3) on the student's financial management behavior variable (Y). This kind of relationship implies that the X3 variable (Parent's Income) does not affect the Y variable (Financial Management Behavior) of STMIK AKBA students. So, the third hypothesis (H3) in this study was rejected.

LIMITATION
The limitations of this study are: This study only focuses on analyzing the effect of financial literacy, parents' lifestyle on financial management behavior. For further research, other variables can be added. This study only uses samples from one study program and one university, so it may be different if the research is conducted elsewhere and uses several study programs and universities and then compares them. Students are advised to always study and be sensitive to financial information in order to have adequate financial literacy so as to avoid financial problems

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DECLARATION OF CONFLICTING INTERESTS
in writing this article the author has no conflict of interest.

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