

The Influence of Financial Literacy and Lifestyle on Financial Behavior among Students in Karang Taruna Cendrawasih Madurejo Yogyakarta

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Abstract

The purpose of this study is to ascertain how financial behavior is affected by financial literacy and the influence of lifestyle on Karang Taruna Cendrawasih students in Madurejo village. In this study, the population only consisted of students from Karang Taruna Cendrawasih Madurejo village and 100 students who were registered as members of Karang Taruna were used as samples taken using the random sampling method. The data used is primary data obtained from questionnaires distributed online. Classical hypothesis testing and multiple regression analysis using the SPSS V25.0 program were used for data analysis. Based on the results obtained, it can be concluded that: (1) the financial literacy variable has a significant positive influence on the financial behavior variable, (2) the lifestyle variable has a significant positive influence on the financial behavior variable. The variable influences the financial behavior of Karang Taruna Cendrawasih students in Madurejo village.

Keywords: Financial Literacy; Lifestyle; Financial Behavior

1. INTRODUCTION

The current era of globalization and the increasing pace of modern development, along with the dynamic nature of human life, are causing changes in an individual's financial behavior. Because students are part of the younger generations who are easily swept along by the currents of globalization (Wahyuni et al., 2023). Moreover, many companies target students or the younger generation as their market, and with the advancement of technology, it has become easier for students to keep up with new trends and acquire those items. Thus, making them spend their money more quickly, not only on daily necessities but also on desired items that are currently trending (Sada, 2022).

Financial behavior can be controlled by managing and organizing an individual's daily financial activities. Financial behavior defines how individuals manage their personal finances. (Nababan & Sadalia, 2013). Essentially, individuals with good financial behavior will be responsible for their finances, and a person's financial behavior will be evident in how well they manage their savings and can be seen in their other expenditures (Hilgert & Hogarth, 2013).

The younger generation, especially students, often allocate their funds for needs that lead to consumerist behavior, which will worsen their financial management (Yusuf et al., 2023). Many students do not yet understand how to manage money properly, leading to tendencies towards wastefulness and increased poverty, which results in the student generation being exposed to consumerism that prioritizes immediate satisfaction and ultimately leads to long-term losses (Isnaini, 2024).

From the perspective of many people, financial literacy can limit a person's ability to meet their needs and complicate the assessment of the money they earn. Financial literacy, on the other hand, enables everyone to lead a fulfilling life by managing their money wisely to meet their current and future needs. (Gunawan & Chearani, 2019). Based on the survey data presented by OJK, Indonesia's financial literacy index was around 49.68% in 2022, and the survey results among the Indonesian population were lower compared to the financial literacy levels in Southeast Asian countries such as Thailand, which is a financially advanced country with a literacy rate of 82%, 98% in Singapore, and 85% in Malaysia.

The surrounding environment can influence students' financial behavior. Whether an individual's financial behavior is good or bad, that behavior will carry over into the future (Herawati et al., 2018). Financial literacy, for example, based on research (Herawati et al., 2018), has a noteworthy and advantageous effect on financial behavior. Nonetheless, Nababan and Sadalia's (2012) study demonstrates that financial behavior is unaffected by financial literacy.

Every person needs planned financial literacy so that they can make accurate financial decisions (Nindy & Sulhan, 2021). Because financial literacy is very important as a step to make decisions for the sustainability of individual financial behavior by engaging in activities such as saving and investing to achieve individual goals, it is also important for the sustainability of the national economic system (Sholeh, 2019). What determines good financial behavior for students, besides financial literacy, is influenced by the lifestyle of the students or individuals themselves.

Lifestyle can be defined as a pattern of an individual's activities, interests, and opinions regarding the use of their finances and time (Hardiyanti, 2022). Therefore, with the increasing lifestyle of students, which is becoming more elevated, it can reflect their attitudes in financial management decision-making situations. Students who cannot adjust their lifestyle to their finances will suffer losses in managing their finances. Conversely, when a student can manage their finances, they will be able to make decisions about their financial behavior, thus better controlling their lifestyle by prioritizing needs over wants. (Azizah, 2020).

2. METHOD

The approach in this research applies a quantitative method, presenting specific procedures, comprehensive literature, and clearly formulated hypotheses. Based on the explanation of the problem and the theory that has been described, the researcher uses a quantitative research approach, which is analyzed using percentages useful for determining the success of the actions taken.

Population and Sample

The population used as the object of research is all members of Karang Taruna Cendrawasih, totaling 160 people. Of this number, 120 people are registered as students, and the sample was taken using the random sampling method with data from 100 people. The data to be analyzed will be collected through a questionnaire technique assisted by Google Forms. The questionnaire used in this study is closed-ended, allowing

respondents to choose based on their characteristics regarding the statements in the questionnaire by selecting a score from 1-5 using a Likert scale.

The score explanations are as follows: a score of 1 indicates the respondent strongly disagrees, a score of 2 indicates the respondent disagrees, Respondents who receive a score of three indicate they somewhat disagree, those who receive a score of four say they agree, and those who receive a score of five suggest they completely agree. The statements in the research questionnaire align with the lifestyle and financial literacy factors. Data Analysis Techniques For data analysis, classical assumption tests are used, including normality tests, heteroscedasticity tests, and multicollinearity tests. Furthermore, data that meet the classical assumption tests are processed using multiple linear regression analysis to determine whether financial behavior is influenced by financial literacy and lifestyle.

Statistical hypothesis testing is considered significant if the test statistic value falls within the critical region. This is done by applying a regression model that meets classical assumptions. The testing models used are the t Test (partial), F-Test (simultaneous), and R^2 .

3. RESULTS AND DISCUSSION

Respondent Characteristics The characteristics of the selected respondents are based on: gender, university origin, faculty, and year of enrollment. The gender characteristics show that 45% are male and 55% are female. The characteristics by university origin are as follows: UIN Sunan Kalijaga Yogyakarta 13%, Universitas Terbuka 15%, Universitas Mercu Buana Yogyakarta 10%, Universitas Negeri Yogyakarta 18%, Universitas Gajah Mada 6%, Universitas Islam Indonesia 14%, Universitas Atma Jaya 14%, Universitas Sanata Dharma 10%. The faculty characteristics are: Faculty of Business Economics 30%, Faculty of Education Sciences 30%, Faculty of Social Sciences 26%, Faculty of Public Health 14%. The cohort year characteristics are: 2020 (40%), 2021 (20%), 2022 (20%), and 2023 (20%).

Descriptive Analysis

Table 1. Results of Descriptive Statistical Test

Descriptive Statistics						
	N Statistic	Minimum Statistic	Maximum Statistic	Mean Statistic	Std. Error	Std. Deviation Statistic
Perilaku Keuangan	100	22	35	28.85	.245	2.447
Literasi Keuangan	100	36	50	42.91	.287	2.871
Gaya Hidup	100	22	40	33.65	.329	3.286
Valid N (listwise)	100					

Source: SPSS 25 Output (2024)

The financial literacy variable has a minimum value of 36, a mean value of 42.91, a maximum value of 50, and a standard deviation of 2.447, according to the findings of the descriptive statistical test in Table 1. A minimum of 22, a mean of 33.65, a standard deviation of 3.286, and a maximum of 40 are all displayed by the lifestyle variable. The financial conduct variable has a standard deviation of 2.447, a minimum value of 22, a mean value of 28.85, and a maximum value of 35.

Classic Assumption Test

Test of Normalcy According to the Kolmogorov-Smirnov Test data processing results, the data is normally distributed since the Asym Sig value of 0.062 is higher than 0.05 ($0.062 > 0.05$). Test of Multicollinearity According to this exam, Financial Literacy (X1) has a VIF score of 1.072 and a tolerance value of 0.933. The VIF value for Lifestyle (X2) is 1.072, and the Tolerance value is 0.933. It is evident that the VIF values are fewer than 10 and the tolerance values of both X variables are higher than 0.1. This suggests that these two independent variables do not exhibit multicollinearity. This analysis's heteroscedasticity test reveals that there is no evidence of heteroscedasticity because the Sif values for Financial Literacy and Lifestyle are both more than 0.05, at 0.27 and 0.163, respectively.

$$Y = 5.383 - 0.070 X1 - 0.038 X2$$

Table 2. Results of Multiple Linear Analysis

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.383	1.410		3.818	.000
	Literasi Keuangan	-.070	.031	-.225	-2.244	.027
	Gaya Hidup	-.038	.027	-.141	-1.407	.163

a. Dependent Variable: Abs_Res

Sumber : Output SPSS 25 (2024)

From Table 2 and the equation, it is stated that: 1. The constant of Financial Behavior (Y) at 5.385 indicates that without the influence of the Financial Literacy variable (X1) and the Lifestyle variable (X2), the value of Financial Behavior (Y) remains constant. 2. The coefficient of X1 at -0.070 indicates a negative influence on Financial Behavior (Y). 3. The coefficient of X2 at -0.038 indicates a negative influence on Financial Behavior. (Y).

Hypothesis Testing

Partial Test

1. Financial literacy significance value shows $0.027 < 0.05$, and the t-calculated value is -2.244 while the t-table shows 1.660 ($-2.244 < 1.660$). Therefore, H_a is rejected, meaning that when the Financial Literacy variable increases, the Financial Behavior does not significantly increase.
2. Lifestyle significance value shows $0.163 > 0.05$, and the t-calculated value is -1.407 while the t-table shows 1.660 ($-1.407 < 1.660$). Therefore, H_a is rejected, meaning that when the Lifestyle increases, it does not affect the decrease in financial behavior.

Simultaneous Test

Table 3. Results of the Simultaneous Test

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	392.235	2	196.118	94.873	.000 ^b
	Residual	200.515	97	2.067		
	Total	592.750	99			

a. Dependent Variable: Perilaku Keuangan
b. Predictors: (Constant), Gaya Hidup, Literasi Keuangan
Sumber : Output SPSS 25 (2024)

The F-count value in this study shows a figure of 94.873 at a significance level of 0.000. Meanwhile, the F-table value shows a figure of 2.700 at a 95% confidence level (0.05). Therefore, F-count $94.873 > F\text{-table } 2.700$ and at a significance level of $0.000 < 0.05$. It can be seen that Financial Literacy (X1) and Lifestyle (X2) together have an influence on Financial Behavior (Y).

Determination Test

The R Square result has a value of 0.662. it is concluded that the magnitude of the influence of the Financial Literacy variable and the Lifestyle variable on the Financial Behavior variable shows a figure of 66.2%. The remaining 33.8% of the result is explained by other variables.

Table 4. Determination Test Results

Model Summary ^b				
Model	R	R Square	Adjusted Square	Std. Error of the Estimate
1	.813 ^a	.662	.655	1.438

a. Predictors: (Constant), Gaya Hidup, Literasi Keuangan
b. Dependent Variable: Perilaku Keuangan
Sumber : Output SPSS 25 (2024)

Discussion

The Influence of Financial Literacy on Financial Behavior Among Students of Karang Taruna Cendrawasih, Madurejo Village, Yogyakarta

The data analysis conducted shows a negative and important connection between financial knowledge and financial behavior among students of Karang Taruna Cendrawasih, Madurejo Village, Yogyakarta, with a coefficient value of -0.070 at a significance level of $0.027 < 0.05$. This suggests that there is no direct correlation between financial behavior and financial literacy; a high level of financial literacy does not translate into improved financial behavior. For pupils to control their financial behavior and get ready for and deal with future financial issues, financial literacy is crucial.

The Influence of Lifestyle on Financial Behavior Among Students Who Are Members of Karang Taruna Cendrawasih, Madurejo Village, Yogyakarta

The data analysis conducted shows a negative and insignificant relationship between lifestyle and financial behavior among students who are members of Karang Taruna Cendrawasih, Madurejo Village, Yogyakarta, with the coefficient value indicating -0.038 and the significant value showing $0.163 > 0.05$. This means that lifestyle and financial behavior have an inverse relationship; when the lifestyle level is high, financial behavior does not decrease. A high lifestyle will create problems in financial behavior if it is not adjusted to financial conditions.

The Influence of Financial Literacy and Lifestyle on Financial Behavior Among Members of Karang Taruna Cendrawasih, Madurejo Village, Yogyakarta.

According to the data analysis that has been conducted, Financial Literacy (X1) and Lifestyle (X2) together significantly influence Financial Behavior (Y) among the members of Karang Taruna Cendrawasih, Madurejo Village, Yogyakarta. This can be proven with the F-count value $>$ F-table value of $94.873 > 2.700$ and a significance level of less than 0.05 with a value of $0.000 < 0.05$. This means H3 is accepted. Financial literacy and self-control, when practiced well, lead to good financial behavior, which can reduce the impact of future financial problems

4. CONCLUSION

1. There is a notable adverse effect of financial knowledge on the financial behavior of student members of Karang Taruna Cendrawasih, Madurejo Village, Yogyakarta. It states that when financial literacy increases, it does not affect the decline in students' financial behavior.
2. Lifestyle partially negatively and significantly affects the financial behavior of student members of Karang Taruna Cendrawasih, Madurejo Village, Yogyakarta. This indicates that when lifestyle increases, it does not affect the decline in students' financial behavior.
3. Financial literacy and lifestyle together significantly and positively affect the financial behavior of student members of Karang Taruna Cendrawasih, Madurejo Village, Yogyakarta. It states that if financial literacy and lifestyle are well-managed, they can lead to good financial behavior.

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