

Influence of Financial Behavior, Financial Literacy Income, Education, and Gender on Personal Financial Planning on Islamic University Students Medan City Private

Sri Fitri Wahyuni¹, Muhammad Andi Prayogi², Radiman³, Rio Prayudha Sitanggang⁴

Universitas Muhammadiyah Sumatera Utara^{1,2,3,4}
Jl. Kapten Mukhtar Basri No. 3, Medan, 20238, Indonesia
Correspondence Email: srifitri@umsu.ac.id
ORCID ID: 0000-0001-9470-9480

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ABSTRACT

The purpose of this study was to identify and analyze the effect of financial behavior, financial literacy, income, education and gender on personal financial planning, both partially and simultaneously. The approach used in this study is an associative approach. The population in this study were all students of the private Islamic university in Medan. The sample in this study used the Lemeshow formula, totaling 100 students at the private Islamic university in Medan. Data collection techniques in this study used interview techniques, documentation studies, observations, and questionnaires. Data analysis techniques in this study used Multiple Liner Regression Analysis Test, Hypothesis Test (t test and F test), and the Coefficient of Determination. Data processing in this study used the SPSS (Statistics Package for the Social Sciences) software version 24.00. The results of this study prove that partially and simultaneously financial behavior, financial literacy, income, education and gender have a significant effect on personal financial planning in private Islamic students in the city of Medan

Keywords: Financial Behavior, Financial Literacy, Income, Education, Gender, Financial Planning

INTRODUCTION

Personal Financial Management is the art and skill of managing and supervising one's own and family's finances. In carrying out Personal Financial Management there are various steps involved in implementing it, including setting personal financial goals, taking appropriate data information, analyzing finances, developing financial planning strategies that can be implemented, and then evaluating the results (Ardila et al., 2019). Financial management is carried out by other students who are financially literate. One of these attitudes is shown by his love of money. Love of Money is a degree of human love for money that is often viewed negatively by certain circles of people. (Hafni et al., 2020) Excessive love of money will certainly make oneself have an excessive drive for wealth and will work less well with other people at work. Therefore, it is hoped that the millennial generation will be able to manage their personal finances effectively. Personal Financial Management, on the other hand, is also determined by financial literacy that each individual must have mastered (Astuti et al., 2019)

LITERATURE REVIEW

1. Personal Financial Management

Personal Financial Management, namely the arts and skills in managing and supervising the finances of oneself and family (Gitman & Zutter, 2015).

2. Love Of Money

Money is a payment mechanism that is considered important in everyday life for every human being. Because money is a very valuable form of one's wealth that can be used in every transaction where someone will make payments for these services and products (Ridwan Sundjaja & Barlian, 2006).

3 Peer Groups

Peer Group is a successful peer group when its members are able to communicate. Peer Group is a group of people who have the same level of maturity and more often impact each other, both positively and negatively (Santosa, 2005).

4. Financial Literacy

Financial literacy is referred to as a person's ability to manage money. Which usually other people will see from their behavior in budgeting money, if someone has extensive financial knowledge then they will have intelligence in budgeting money (OJK, 2019).

Financial problems can also result from poor financial management (mismanagement), such as excessive use of credit or not making any financial plans. This is true even when there is minimal income (Pohan et al., 2017).

A good level of financial literacy is expected to help individuals carry out good personal financial management, such as preparing financial plans and making the best decisions regarding their finances, especially for future security (Gunawan & Pulungan, 2019).

RESEARCH METHOD

In this research using a type of survey, where later this study will draw samples from one population. The approach used in this research is quantitative and associative. If you pay attention to the type of data, this research uses quantitative research, but if you pay attention to the explanation, this research uses associative research. The reason for using associative is to find out the problem of the relationship between two or more variables (Juliandi et al., 2014). The quantitative method is a research strategy

based on the philosophy of positivism to study a population or sample. This method is said to be quantitative because the research data is presented in the form of numbers and the analysis uses statistical management (Sugiyono, 2019).

The population is a generalization area which is divided into several subjects/objects with specific numbers or characters selected to be studied and then analyzed. The population in this study is all Final Management Students Class of 2018, Faculty of Economics and Business, Muhammadiyah University of North Sumatra, with a total of 517 students.

The sample is defined as the total characteristics group in the population. due to the limited funds, time and power they have, researchers will not be able to study every member of the population if the population is large. In this study, sampling was carried out using the simple random sampling technique, which was carried out randomly from a population without taking into account the strata in that population. In accordance with the formula above, the sample used in this study was 84 Stambuk Final Management Students 2018 Muhammadiyah University of North Sumatra. The technique used in this study is a questionnaire (questionnaire).

RESULTS

1. Classic assumption test

Data analysis used in this study is multiple linear regression analysis. The following are the classical assumption test requirements that must be met with the following provisions:

1.1. Normality test

The purpose of doing the data normality test is to see whether the independent variable and the dependent variable have a normally distributed regression model or not. The criterion in this test is if the data spreads on a diagonal line and moves in the same direction, or the histogram graph shows a normal distribution pattern, then the regression model can fulfill the assumption of normality

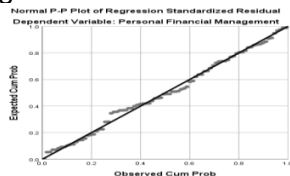


Figure 1. Standardized P-P Plot Normal Test

Based on the results of data processing, the figure above shows that the histogram graph data looks like a bell with a balanced magnitude that is not greater to the left or right, whereas in the Standardized P-P Plot it can be seen that the dots follow a diagonal line.

1.2. Multicollinearity Test

Table 1. Multicollinearity Test

Model		Coefficients ^a					Collinearity Statistics	
		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Tolerance	VIF
		B	Std. Error	Beta				
1	(Constant)	9.313	2.556		3.643	.000		
	Love Of Money	.296	.030	.644	9.839	.000	.821	1.218
	Peer Group	.172	.045	.258	3.808	.000	.764	1.310
	Financial Literacy	.231	.074	.194	3.133	.002	.916	1.092

a. Dependent Variable: Personal Financial Management

Based on the processing results using SPSS version 25, it can be seen in table 1 above that the tolerance and VIP values in this study did not encounter multicollinearity. This is because of all the variables the tolerance value is close to 1 and the VIP value is <10.

1.3. Heteroscedasticity Test

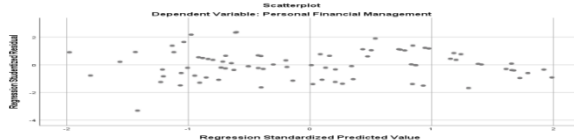


Figure 2. Heteroscedasticity Test Scatterplot

This is because in the picture there is no clear pattern and the dots spread up and down on the number 0 on the Y axis, meaning that the heteroscedasticity test in this research variable is able to meet the criteria and can carry out further tests.

2. Multiple Linear Regression Analysis

Following are the results of multiple linear regression analysis that has been processed through SPSS 25 on multiple regression analysis on Love Of Money, Peer Group, and Financial Literacy on Personal Financial Management in Management Study Program Students, Faculty of Economics and Business North Sumatra Muhammadiyah University Business. According to the results of processing using SPSS version 25 shown in table 1 above, the value of the linear regression equation model is:

$$Y = 9.313 + 0.296 X_1 + 0.172 X_2 + 0.231 X_3$$

3. Hypothesis testing

Hypothesis testing in this study was carried out using two methods including partially (t test) and simultaneously (F test):

3.1. Partial Test (t test)

This t (partial) test aims to see how big and far the level of relationship and influence on each independent variable individually (partially) in explaining the dependent variable in this study. If the sig value <0.05, or $t_{count} < t_{table}$ then $H_0 =$ rejected, and there is an influence on variable X on Y, and vice versa.

3.1.1 The Effect of Love Of Money (X^1) on Personal Financial Management (Y)

Based on the results of processing the t test data using SPSS 25, the t_{count} value for the love of money variable is 9.839 and the t_{table} is 1.989 with $\alpha = 5\%$. This means $t_{count} > t_{table}$ ($9.839 > 1.989$) with a significant value of $0.000 < 0.05$. So it can be concluded that H_0 is rejected and H_a is accepted.

3.1.2. Influence of Peer Group (X^2) on Personal Financial Management (Y)

Based on the results of processing the t test data using SPSS 25, the t_{count} value for the peer group variable is 3.808 and the t_{table} is 1.989 with $\alpha = 5\%$. This means $t_{count} > t_{table}$ ($3.808 > 1.989$) with a significant value of $0.000 < 0.05$. So it can be concluded that H_0 is rejected and H_a is accepted.

4.3.1.3. Effect of Financial Literacy (X^3) on Personal Financial Management (Y)

Based on the results of processing the t test data using SPSS 25, the t_{count} value on the financial literacy variable is 3.133 and the t_{table} is 1.989 with $\alpha = 5\%$. This means $t_{count} > t_{table}$ ($3.133 > 1.989$) with a significant value of $0.002 < 0.05$. So it can be concluded that H_0 is rejected and H_a is accepted.

3.2. Simultaneous Test (Test F)

The F test or simultaneous test is used to determine whether the independent variables as a whole have a significant influence or not on the dependent variable. The hypothesis is then converted into statistics with the criteria that if the sig value < 0.05 or $F_{count} > F_{table}$, then there is a simultaneous effect of variable X on variable Y and vice versa.

Table 3. F Test Results (Simultaneous)

ANOVA ^a						
	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1020.432	3	340.144	68.275	.000 ^b
	Residual	398.556	80	4.982		
	Total	1418.988	83			

a. Dependent Variable: Personal Financial Management

b. Predictors: (Constant), Financial Literacy, Love Of Money, Peer Group

Based on the results of data processing on the F test above, it can be seen that the F_{count} value in this study is $68.275 > F_{table} = 2.72$ with a significance level of $0.000 < 0.05$. means that H_a is accepted and H_0 is rejected. So it can be concluded that overall the variables Love Of Money, Peer Group and Financial Literacy have a significant effect on Personal Financial Management in Management Study Program Students, Faculty of Economics and Business, Muhammadiyah University, North Sumatra.

3.3. Determination Coefficient Test (R^2)

In this study the coefficient of determination is used to determine the value of the coefficient between the independent variables described by the dependent variable.

Table 4. Test Results for the Coefficient of Determination

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.848 ^a	.719	.709	2.232

a. Predictors: (Constant), Financial Literacy, Love Of Money, Peer Group

It can be seen in the table above that the results of the regression test for the coefficient of determination in the summary model (R square) in this study is 0.709, meaning 70.9% of the variables Love Of Money (X^1), Peer Group (X^2) and Financial Literacy (X^3) and the rest 29.1% can be explained by other variables not included in this study.

DISCUSSION

1.The Effect of Love Of Money on Personal Financial Management

Love of money affects personal financial management in Students of the Management Study Program, Faculty of Economics and Business, Muhammadiyah University of North Sumatra, where the higher and more positive the power of students' love for money. Based on the results of testing the research hypothesis about the effect of love of money on personal financial management, it was found that $t_{count} 9.839 > t_{table} 1.989$ with a significant value of $0.000 < 0.05$. means that H_0 is rejected and (H_a is accepted). This shows that there is a positive and significant influence between the love of money variable (X^1) on personal financial management (Y) in Management Study Program

Students, Faculty of Economics and Business, Muhammadiyah University, North Sumatra.

Thus, the results of this study are in line with research conducted by (Ismanto et al., 2019) that the love of money has a positive and significant effect on personal financial management. This is because everyone has the right to interpret what meaning depends on him in the love of money. In a positive sense, love of money means that individuals love money so much that they do good things for money.

2. The Influence of Peer Groups on Personal Financial Management

Peer Group influences personal financial management in Management Study Program Students, Faculty of Economics and Business, Muhammadiyah University of North Sumatra, where the higher the influence of good or not wasteful in using money provided by the peer group environment, the better the development of students in doing personal financial management at the Muhammadiyah University of North Sumatra.

Based on the results of testing the research hypothesis about the influence of peer groups on personal financial management, it was found that $t_{count} 3.808 > t_{table} 1.989$ with a significant value of $0.000 < 0.05$. This means that H_0 is rejected and (H_a is accepted). This shows that there is a positive and significant influence between peer group variables (X^2) on personal financial management (Y) in Management Study Program Students, Faculty of Economics and Business, Muhammadiyah University, North Sumatra.

Thus, these results are in line with research conducted by (Astuti et al., 2019) that peer groups have a positive and significant influence on personal financial management. This is because students have greater intensity towards peer groups and are used to carrying out activities and discussions together. Therefore, peer groups can have a greater influence on student attitudes and behavior in their personal financial management. The importance of communication in friendship is to evaluate yourself when financial problems occur.

3. Effect of Financial Literacy on Personal Financial Management

Financial Literacy influences personal financial management in Management Study Program Students at the Faculty of Economics and Business, Muhammadiyah University of North Sumatra, where the higher the level of financial literacy of students, the more understanding and good the students are in their personal financial management.

Based on the results of testing the research hypothesis about the effect of financial literacy on personal financial management, it was found that $t_{count} 3.133 > t_{table} 1.989$ with a significant value of $0.002 < 0.05$. means that H_0 is rejected and (H_a is accepted). This shows that there is a positive and significant influence between the variable financial literacy (X^3) on personal financial management (Y) in Management Study Program Students, Faculty of Economics and Business, Muhammadiyah University, North Sumatra.

Individuals who have a high level of financial literacy will tend to prefer planning retirement preparations to anticipate a comfortable and adequate old age. So they are looking for programs to improve understanding and expertise in managing finances to increase their abilities in personal financial management (Gunawan et al., 2020).

Thus, these results are in line with research conducted by (Linzy Putri, 2021) that financial literacy has a positive and significant effect on personal financial management, because with good financial literacy students will be better able to understand how to manage finances effectively and efficiently. Then the results of research (Wahyuni, Radiman, Jufrizen, et al., 2022) also state that financial literacy has a positive and significant influence on personal financial management. Because financial literacy is the main foundation needed in managing finances.

4. The Effect of Love Of Money, Peer Group and Financial Literacy on Personal Financial Management

The influence of Love Of Money, Peer Group and Financial Literacy has an effect on personal financial management in Management Study Program Students, Faculty of Economics and Business, Muhammadiyah University of North Sumatra, where if the higher and better the level of love of money, peer group and financial literacy owned by students then the better students will be at managing their money and will be good at making wise decisions if there are problems with personal finance at Muhammadiyah University of North Sumatra.

Based on the results of the significant test f research on the effect of love of money, peer group and financial literacy on personal financial management obtained $F_{count} 68.275 > F_{table} 1.989$ with a significant level of $0.000 < 0.05$. means that H_0 is rejected and H_a is accepted. This shows that together the variables Love Of Money, Peer Group and Financial Literacy have a significant effect on personal financial management (Y) in Management Study Program Students, Faculty of Economics and Business, Muhammadiyah University, North Sumatra.

Personal financial management is defined as financial intelligence that humans must have in order to be able to carry out financial management properly. Like to meet their financial needs and process transactions. A person's attitude, character, and financial behavior are usually used to evaluate personal financial management (Wahyuni, Radiman, & Nara, 2022). Every human being definitely wants a prosperous life in terms of personal finances, especially students. Students who have life principles like this must first be good at implementing a personal financial management lifestyle for the better. Thus, these results are in line with research conducted by (Wulandari & Januri, 2020) that love of money, peer groups and financial literacy have a close influence on personal financial management where the higher the level of love, and student understanding of financial knowledge, the the better the students in carrying out personal financial management.

CONCLUSION

Partially Love Of Money has a positive and significant effect on Personal Financial Management in Management Study Program Students, Faculty of Economics and Business, Muhammadiyah University, North Sumatra. Partially Peer Group has a positive and significant effect on Personal Financial Management in Management Study Program Students, Faculty of Economics and Business, Muhammadiyah University, North Sumatra. Partially Financial Literacy has a positive and significant effect on Personal Financial Management in Management Study Program Students, Faculty of Economics and Business, Muhammadiyah University, North Sumatra. Simultaneously Love Of Money Peer Group and Financial Literacy have a significant effect on Personal Financial Management in Management Study Program Students, Faculty of Economics and Business, Muhammadiyah University, North Sumatra.

LIMITATION (OPTIONAL)

The author is only able to research the influence of the love of money, peer group and financial literacy variables on personal financial management, there should be many other variables that can influence personal financial management. Not all of the information given to respondents through questionnaires during the data collection process accurately answered according to their original opinion. There is still a lack of theory and journals included in this study so that they are more complementary and

provide additional support, for this reason additional journals or other references are needed, especially in lecturer journals. Due to the limited time the writer has, in this study the writer was only able to examine the population and sample of 84 students in the 2018 Stambuk Management Study Program, Muhammadiyah University, North Sumatra.

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DECLARATION OF CONFLICTING INTERESTS

The author has no conflict of interest in writing this article

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