

The Influence of Financial Literacy and Lifestyle on Financial Behavior of Community in Sunggal

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ABSTRACT

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This study aims to find out how financial literacy and lifestyle influence the financial behavior of people in Sunggal District. The approach used is survey and quantitative research. Samples were taken using accidental sampling, regardless of the level of education or community work, sampling was carried out on 100 people. Data collection techniques using a list of questions and interviews. The data analysis technique uses the Statistical Package for the Social Sciences (SPSS). The results of this study indicate that: (1) The effect of financial literacy on financial behavior is significant and positive; (2) The effect of lifestyle on financial behavior is significant and positive; (3) The influence of financial literacy and lifestyle together has a significant and positive effect on the financial behavior of the people in Sunggal District.

Keywords: Financial Literacy; Lifestyle; Financial Behavior

INTRODUCTION

The majority of Indonesian people tend to have a consumptive nature which will lead to irresponsible financial behavior such as a lack of savings activities, planning emergency funds and budgeting funds for the future. To avoid irresponsible financial behavior, it is necessary to have financial principles that must be applied to society. The principle is to buy goods and services that are really needed and not to buy goods and services just because you want to.

Financial literacy is a mandatory thing that a person must have because it is the core of life skills. All people are required to have a good level of financial literacy so they can take part in economic activities and make financial decisions for themselves and their families so they can manage their income and expenditure.

According to (Soetiono & Cecep, 2018) the benefits of high levels of financial literacy and inclusion are enormous for the country to increase economic growth, eradicate poverty, reduce income inequality and increase financial system stability.

To increase the level of financial literacy, the Financial Services Authority as the Financial Institution Supervisory Agency created a blueprint for Indonesia's Financial Literacy strategy. The essence of the financial literacy strategy blueprint lies in three pillars, namely: education and national campaigns, strengthening infrastructure, developing products and services finance (Apriliani, 2017).

According to (Gunawan et al., 2020) lifestyle describes a person's whole self-interacting with his environment. Lifestyle is a person's lifestyle expressed in their activities, interests and income in using their money and allocating their time. People often prioritize a hedonistic lifestyle rather than their desire to save and find out how to manage their finances well. Buying things that are not really needed even though there are needs that are more priority.

In the current era, a minimalist lifestyle is highly recommended to be applied in everyday life for both low, middle and upper income groups. How to buy something that is actually needed or needed and not what is wanted. It is important to pay attention to this to avoid and prevent deficits. This is the essence of healthy spending. Limiting the things we buy and focusing only on the essentials is the best way to minimize the impact of our consumption. A minimalist life philosophy will help us achieve our goals as a minimalist (Jay, 2016)

Table 1 Initial Observation Results

No	Questions	Total (%)	
		Yes	No
1	I always record my expenditure and income budget every day	30%	70%
2	The income I get IDR 2,000,000/month	70%	30%
3	The income I earn is sufficient for my daily needs	80%	20%
4	I always set aside money regularly for the future	30%	70%
5	I compare product prices before purchasing to reduce expenses	60%	40%
6	I often buy things that are trendy in installments	20%	80%

Source: Online questionnaire (2023)

The phenomenon in this research is the low level of financial literacy which results in less effective financial decision making among the people of Romeby Lestari Housing District. Single. This is based on the results of initial research on the Romeby Lestari Housing

community who are still less able to manage their finances and lifestyle which causes buying an item not to match their priority needs, in addition to that the hedonistic lifestyle is not in accordance with their income level which results in poor financial decision making. Good. In fact, in Indonesia there is concern that consumers tend to lack understanding of financial concepts and do not have the knowledge to make financial decisions.

LITERATURE REVIEW

Basically, according to (Gitman, 2002) personal financial behavior is the way individuals manage money to be used for decisions on using funds, determining sources of funds, as well as decisions for retirement planning. Then, according to (Mien & Thao, 2015), financial management behavior is used as determining, acquiring, allocating and utilizing financial resources. Financial management behavior as financial decision making, harmonization of individual motives and company goals. According to (Brilianti & Lutfi, 2020) there are 3 factors that determine family financial behavior in Indonesia. The first factor, financial knowledge regarding financial understanding and concepts related to basic finance, loans, investments and financial protection. The second factor, financial experience, is related to incidents involving savings, credit and emergency funds. The third factor is income, uncertain income in a family or if there is a decrease it will give rise to family problems.

According to (Wahyuni et al., 2022) financial literacy includes the ability to differentiate financial choices, discuss money and financial problems without discomfort, plan for the future which will influence taking daily financial actions. Financial literacy helps to improve the quality of financial services and contributes to economic growth and development of a country. With good financial literacy, abilities in financial management will increase, so that individuals can differentiate between the types of finance they own and are able to invest as capital to protect their finances from unexpected events (Lestari et al., 2022). According to (Chen & Volpe, 1998) indicators of financial literacy are divided into four aspects, namely general knowledge about finance, savings and loans, insurance and investment.

According to (Sumarwan, 2015) a person's lifestyle is a person's lifestyle which is manifested in psychographics, and describes a person's entire self as he interacts with his environment. To measure lifestyle, the AIO dimension is often used. Activity (work, hobbies, shopping, sports and social activities), Interest (food, fashion, family, recreation) and Opinion (getting to know yourself, social issues, business, products). According to (Setiadi, 2013) lifestyle is defined as a way of life, how someone spends their time (activities), what they consider important about themselves and also the world around them (opinions). Factors that influence lifestyle according to (Kotler & Armstrong, 2016) can be seen from individual behavior such as activities to obtain goods and services. According to (Kotler & Armstrong, 2016) there are two factors that influence a person's lifestyle, namely internal and external.

RESEARCH METHOD

This type of research is survey research (Widagdo et al., 2021) says that survey research methodology is part of quantitative research in which primary data is collected using questionnaires or questionnaires as the research instrument. The population in this study was the Romeby Lestari Housing community, Kecamatan Sunggal. The sampling technique used was accidental sampling, the sample used in this research was 100 respondents. In this research, a Likert scale was used and the data was processed using

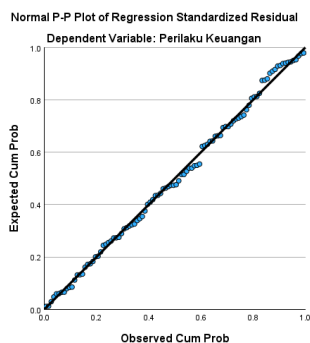
SPSS version 29 software by carrying out validity and reliability tests, then continued with the classical assumption test, multiple linear regression test, hypothesis test, and coefficient of determination test.

RESULTS

Classic assumption test

Normality test

According to (Juliandi et al., 2015) the normality test used in this research is the Kolmogorov Smirnov Test which aims to ensure that in this research the distribution is normal or not between the independent variable and the dependent variable or both. The normally distributed data can be seen through the p-plot graph. According to a good regression model, data is normally distributed or close to normal.



23)

points spread around the diagonal line and follow the regression model meets the normality assumption, indicating that the regression model has fulfilled the assumptions stated previously, so the data in the regression model of this research tends to be normal because based on the picture above the distribution follows diagonal line.

Multicollinearity Test

This test aims to find out whether there is an intercorrelation (strong relationship) between the independent variables. One of the most accurate ways to detect the presence or absence of multicollinearity symptoms is to use the tolerance and VIF methods.

Table 2

Multicollinearity Test Results

Coefficients ^a			
Model		Collinearity Tolerance	VIF
1	Financial Literacy	0.988	1.013
	Lifestyle	0.988	1.013
a. Dependent Variable: Financial Behavior			

Source: SPSS Processed Data (2023)

Based on the table above, it can be seen that the tolerance value is 0.988 and the VIF value is 1.013, so it can be concluded that there is no multicollinearity in the independent variables and can be used in this research, because the T value = $0.988 > 0.1$ and the VIF value = $1.013 < 10.00$.

Heteroscedasticity Test

The heteroscedasticity test is carried out to test the regression model, if there is a difference in residual variance from another observation. If the residual variance from one observation to another is constant, it is called homoscedasticity, and if the variance is different it is said to be heteroscedasticity. A good model is that there is no heteroscedasticity. Detection of heteroscedasticity can be done using the scatter plot method using the ZPRED value (predicted value) with SPRESID (residual value).

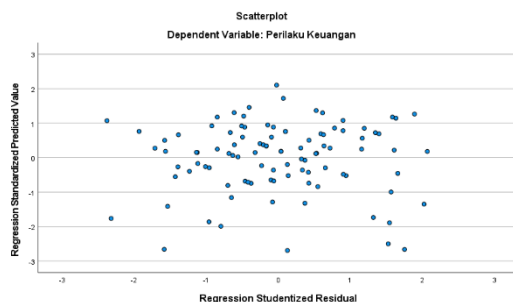


Figure 2 Heteroscedasticity Test
 Source: SPSS Processed Data (2023)

From the figure above, it can be seen that the points are spread randomly and do not form a clear, regular pattern, and are spread both above and below the number 0 on the Y axis. Thus, heteroscedasticity does not occur in the regression table.

Multiple Linear Regression Analysis

Multiple linear regression analyzes the prediction of a value of the dependent variable on the influence of the independent variable. The results of multiple linear regression are as follows:

Table 3
 Multiple Linear Regression Analysis

Coefficients ^a				
Model		Unstandardized B	Coefficients Std. Error	Standardized Coefficients Beta
1	(Constant)	10.597	1.802	
	Financial Literacy	0.511	0.044	0.724
	Lifestyle	0.206	0.053	0.245
a. Dependent Variable: Financial Behavior				

Source: SPSS Processed Data (2023)

From the table above, it can be seen that the linear regression equation model is as follows:

$$Y = 10.597 + 0.511X_1 + 0.206X_2$$

A constant of 10.597 with a positive relationship indicates that if the value of the independent variable is considered constant, namely financial literacy and lifestyle, the value of financial behavior will increase by 10.597. Financial literacy (X_1) is 0.511 with a positive relationship, indicating that if financial literacy increases, it will be followed by an increase in financial behavior of 0.511, assuming the other independent variables are considered constant. Lifestyle (X_2) is 0.206 with a positive influence direction indicating that if lifestyle experiences an increase it will be followed by financial behavior of 0.206 with the assumption that other independent variables are considered constant.

Hypothesis testing

T-Test (Partial Test)

The t test used in this analysis is used to assess the capacity of each independent variable. Apart from that, another aim of this test is to obtain a decision whether there is a significant relationship or not from the research variables used, namely the independent or dependent variables.

Table 4

T-Test (Partial)

Coefficients ^a						
Model		Unstandardized B	Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	10.597	1.802		5.880	0.002
	Financial Literacy	0.511	0.044	0.724	11.566	0.002
	Lifestyle	0.206	0.053	0.245	3.914	0.002
a. Dependent Variable: Financial Behavior						

Source: SPSS Processed Data (2023)

The t test is used to determine whether financial literacy partially has a significant relationship or not with financial behavior where $t_{count} = 11.566$ and $t_{table} = 1.984$. In this case $t_{count} 11.566 > t_{table} 1.984$. This means that H_0 is rejected, meaning that financial literacy has a significant effect on financial behavior. Furthermore, it can be seen that the significant value is 0.001 and the significance level α previously determined is 0.05, so the sig value is $0.001 < 0.05$ so that H_0 is rejected, financial literacy has a significant effect on financial behavior in the Romeby Lestari Housing community.

The t test is used to determine whether lifestyle influence partially has a significant relationship or not with financial behavior where $t_{count} = 3.914$ and $t_{table} = 1.984$. In this case $t_{count} 3.914 > t_{table} 1.984$. This means that H_0 is rejected, meaning lifestyle influences financial behavior. Furthermore, it can be seen that the significant value is 0.001 and the significance level α previously determined is 0.05, so the sig value is $0.001 < 0.05$ so that H_0 is rejected, lifestyle has a significant effect on financial behavior in the Romeby Lestari Housing community.

F-Test (Simultaneous Test)

The f test is used to show whether all independent or independent variables included in the model have a joint influence on the dependent variable.

Table 5

F-Test (Simultaneous)

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1016.193	2	508.096	80.589	0.001 ^b
	Residual	611.567	97	6.305		
	Total	1627.760	99			
a. Dependent Variable: Financial Behavior						
b. Predictors: (Constant), Lifestyle, Financial Literacy						

Source: SPSS Processed Data (2023)

Based on simultaneous testing of the influence between financial literacy and lifestyle, the Fcount value was $80.589 > F_{table} 3.09$ and the significant value was 0.001, which was < 0.005 . Based on these values, it can be understood that there is an influence

between the variables financial literacy (X1) and lifestyle (X2) which together have a positive and significant effect on financial behavior.

Coefficient of Determination (R-Square)

The coefficient of determination is used to find out whether there is an influence between the independent variable and the dependent variable, namely by squaring the coefficient found. The higher the value of the coefficient of determination, the better the ability of the independent variable to explain the dependent variable.

Table 6

Coefficient of Determination (R-Square)

Model Summary				
Model	R	R Square	Adjusted R Square	Std. error of the Estimate
1	.790 ^a	.624	.617	2.511
a. Predictors: (Constant), Lifestyle, Financial Literacy				

Source: SPSS Processed Data (2023)

Based on the results of the determination test in the table above, the regression coefficient of determination of the summary model shows that the coefficient of determination (R-square) obtained in this study is 0.624. This shows that 62.4% influences the independent variables, namely Financial Literacy and Lifestyle on the dependent variable is Financial Behavior while the remaining 37.6% is influenced by other factors not examined in this research.

DISCUSSION

The Influence of Financial Literacy on Financial Behavior

Financial behavior is related to the purpose of using products and efforts to achieve financial goals (Soetiono & Cecep, 2018). Based on the results of the t test carried out partially on financial literacy on financial behavior, $t_{count} = 11.566$ and $t_{table} = 1.984$. In this case $t_{count} 11.566 > t_{table} 1.984$. And the sig value is $0.001 < 0.05$ so H_0 is rejected, financial literacy has a significant effect on financial behavior in the Romeby Lestari Housing community. This can also be seen from the answers of respondents from the Romeby Lestari Housing community regarding financial literacy: People agree that it is important to save and invest to plan a better future. In terms of preparing unexpected funds, people strongly agree that saving money in the bank is a way to save money. safety.

Thus, this is in line with research (Koto, 2022), (Gunawan & Syakinah, 2022), and (Wahyuni et al., 2023) which states that there is an influence of financial literacy on financial behavior. Financial literacy has a significant effect on a person's financial behavior. Without good knowledge of financial concepts, it can lead someone to undesirable things, for example consumer behavior.

The Influence of Lifestyle on Financial Behavior

Lifestyle factors will determine a person's habits, interests or life demands (Astuti & Amanda, 2020). This can be seen from the significant t influence of lifestyle variables on financial behavior of $t_{count} = 3.914$ and $t_{table} = 1.984$. In this case $t_{count} 3.914 > t_{table} 1.984$. The significance level α previously determined was 0.05, so the sig value is $0.001 < 0.05$, this shows that there is a positive and significant influence between lifestyle variables (X) on Financial Behavior (Y). This can be seen from the answers of respondents who stated that they restrained their interest in items that were not needed,

even though they wanted these items, and did not waste their time just opening an online shop.

Thus, this is in line with research (Sari & Siregar, 2022), (Kusnandar & Dian, 2018), (Hasanah & Nurdin, 2022) which states that lifestyle influences financial behavior. The more a person's lifestyle indicators increase, the more financial attitudes will increase, lifestyle has a high influence so that it influences changes in financial behavior.

The Influence of Financial Literacy and Lifestyle on Financial Behavior

Financial threats will be related to improving/fostering financial behavior such as increased awareness of saving expenses (Hartono, 2019). Based on testing and the simultaneous influence of financial literacy and lifestyle on financial behavior, an Fcount value of 80.589 > Ftable 3.09 was obtained and a significant value of 0.001 where <0.005. This shows the acceptance of the hypothesis which states that the two variables financial literacy and lifestyle have a positive and significant influence on financial behavior in the Romeby Lestari Housing community. The results of this research are in line with research conducted by (Zarkasyi, 2021), (Sufyati HS & Alvi L., 2022), and (Sari, S. R. et al., 2020)) which shows that financial literacy and lifestyle simultaneously have a positive and significant effect on financial behavior.

Based on the research that has been conducted, it can be concluded that financial literacy and lifestyle have a close relationship with the financial behavior of the Romeby Lestari Housing community. Financial literacy is needed so that financial knowledge, abilities and attitudes towards finance can be managed well and independently so as to achieve prosperity.

CONCLUSION

Based on the results of the research and discussion previously presented, it can be concluded that partially financial literacy has a significant effect on financial behavior in the community at Romeby Lestari Housing. Someone who has a good level of literacy will have understanding and knowledge of quality financial products and services to achieve prosperity. Partially, lifestyle has a significant influence on the financial behavior of the people in Romeby Lestari Housing. An uncontrolled lifestyle results in poor financial management, people often prioritize a hedonistic lifestyle rather than their desire to save and find out how to manage their finances well. Buying things that are not really needed even though there are needs that are more priority. Simultaneously, financial literacy and lifestyle have a simultaneous influence on financial behavior in the community at Romeby Lestari Housing. Financial literacy and lifestyle have a close relationship to financial behavior. Someone who has a good level of literacy and a simple lifestyle will be able to manage their finances and have financial planning.

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DECLARATION OF CONFLICTING INTERESTS

The authors declared no potential conflicts of interest.

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