

The Influence Of Financial Literacy And Hedonism Attitude On The Personal Finance Of Um Palopo Students

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Abstract

This research is to see and analyze the influence of financial literacy and hedonistic attitudes on the personal finance of UM Palopo students. Where the sample used as respondents was 125 UM Palopo students consisting of 3 majors, namely, Accounting, Management and Development Economics. The data collection technique used was by distributing questionnaires to respondents. The research method used is multiple linear regression. The results of the research show that financial literacy has a big influence on students' personal finance, but the hedonism attitude variable has no effect on students' personal finance and variables financial literacy and t table ($5.734 > 1.984$), with a significant value of 0.000 so that in this table the significance value is <0.05 simultaneously which means it is accepted and the calculated F value is $48.752 > 1.984$ F table. Referring to the results of statistical tests, hypothesis testing and discussion, it can be concluded that financial literacy has a simultaneous effect on personal finance. Furthermore, hedonic attitudes have no influence on personal finance, in other words, only knowledge about finance influences students' understanding of personal finance, but on the other hand, variable hedonistic attitudes has no influence on personal finance, this means that hedonistic attitudes have no influence on personal finance.

Keywords: Financial Literacy; Hedonism Attitude; Personal Financial.

1. Introduction

Financial intelligence has become very important in today's modern competition because a person's ability to effectively manage their finances is the main capital for improving personal welfare. Regardless of income level, often financial failure is not caused by a lack of income, but rather by individuals not knowing how to allocate their income to the right items. In this era, where economic challenges are increasingly complex, having financial intelligence is the key to overcoming various challenges and ensuring individual financial continuity amidst the dynamics of rapid change (Dian, 2015).

Financial literacy creates a strong foundation for managing personal finances, making smart investment decisions, and facing financial challenges with mature understanding, thereby creating long-term financial stability (Dian, 2015). *Financial literacy* is an individual's ability and knowledge to understand and manage various financial institutions and services, as well as key aspects related to finance in order to avoid risks that could impact their financial well-being. This involves a comprehensive understanding of concepts such as budget planning, savings, investing, and debt management. Individuals who have good financial literacy are better able to make informed decisions, plan for the future, and protect themselves from potential financial challenges (Takdir, 2021). Low financial literacy can trigger risky financial decisions, such as wasteful consumer behavior and errors in credit calculations. This can increase the risk of financial loss and hinder people's economic well-

being. Increasing financial literacy is crucial for managing personal finances effectively and reducing the negative impact on financial stability (Defrina, 2022) .

A consumer lifestyle can lead to financial imbalance and potential debt problems, because the individual may tend to prioritize immediate desires over planning wisely for the future. (Amelia & Isbanah, 2021) It is known that among students, shopping activities both online and offline are often not based solely on essential needs, but rather on personal satisfaction and lifestyle. This phenomenon can cause a tendency to live wastefully. Individuals with this lifestyle tend to spend time outside the home, enjoy the hustle and bustle of the city, are active in various forms of entertainment, enjoy shopping even though the items purchased may not always be needed, and have a desire to always be the center of attention. A hedonic lifestyle reflects an orientation towards aspects that provide satisfaction and pleasure in everyday life (Arindah, 2021) .

A *hedonistic lifestyle* is a lifestyle that emphasizes the pursuit of pleasure as the main focus. Individuals who adopt this lifestyle tend to choose decisions and activities based on potential happiness and enjoyment, including aspects such as art, food, travel, and social relationships, with the aim of improving their quality of life (Sampoerno & Asandimitra, 2021) . Increased access to various forms of entertainment, consumerism, and technology have formed a hedonistic mindset among teenagers, where the search for instant pleasure often becomes the main focus in their daily lives (Aggraini and Santoso, 2017) . This can result in financial problems in the future, due to a lack of understanding of the importance of planning and managing finances responsibly (Fuadi and Trianingsih, 2022) .

The main goal of achieving financial stability and meeting basic needs by managing personal finances involves planning and managing financial resources to achieve overall financial goals (Priari, 2020) . For some people, managing their money is a routine task without the need for special study, because it is an everyday activity. Those who manage personal finances realize the importance of setting financial goals and making optimal use of financial resources to achieve them (Hafsyah, 2020). Based on the introduction above, in an industrial era that prioritizes fashion, especially among students, it can have a negative impact on students because hedonistic attitudes are increasingly widespread, creating a financial crisis. This happens to UM Palopo students who always dress luxuriously and prioritize fashion that is not in accordance with each individual's financial capabilities or are unable to manage their finances well to avoid a personal economic crisis.

2. Methodology

This type of research is quantitative research where this research uses several variables including independent variables and dependent variables. The independent variables in this research are *financial literacy* (X_1) and *hedonistic attitudes* (X_2) which are variables that influence, explain and explain other variables, while the dependent variable in this research is *personal finance* (Y) which is often referred to as the variable that affects or is emphasized by other variables but cannot influence other variables.

2.1 Population and Sample

Population is a generalized area consisting of objects/subjects that have certain qualities and characteristics which are applied by researchers to study and then draw conclusions (Sugiyono, 2020). The population in this study, students for the 2020 academic year, were 182 FEB UM Palopo students, while the sample was 125 students with the following details:

Table I Total Population and Research Sample

Study program	Number of Students
Management	62
Accountancy	52
Economic development	9
Amount	125

Determining the sample size can be done using the Slovin formula as follows:

$$n = \frac{N}{1 + N(d)}$$

Information:

n = Number of Samples

N = Number of Population

d^e = Precision (set at 5% with a confidence level of 95%)

so:

$$n = \frac{182}{1 + 182(0,05)}$$

$$n = \frac{182}{1,455}$$

$$n = 125,08$$

$$n = 125$$

In this research, the data used by researchers is secondary data. The data in the research is quantitative data. The data collection technique in this research was also carried out by distributing questionnaires to respondents. By using unified validity and reliability tests.

2.2 Data Collection Techniques

This research data was obtained from secondary data sources via *Google Form* which was carried out for 2 weeks using a Likert scale measurement model. A questionnaire is a data collection technique that is carried out by giving a set of questions or written statements to respondents to answer. Questionnaires can be closed or open questions/statements, can be given to respondents directly or sent via post, or the internet. Using a Likert Scale instrument which has five options, namely, strongly agree, agree, disagree, disagree, strongly disagree.

2.3 Data Analysis Techniques

The data analysis technique used in this research is a multiple linear regression analysis technique and to measure (operationalize) the research variables, researchers used a Likert Scale, obtained using the SPSS 22 program.

To test the hypothesis the researcher used the t-statistical test. The method used in this research is descriptive statistical analysis method, multiple linear regression analysis test

3. Result and Discussion

3.1 Results

Multiple regression analysis is an analysis to see the extent of the influence of *financial literacy* and *hedonistic attitudes* on *the personal finances* of UM Palopo students.

For greater clarity, the results of the regression analysis will be explained on the assessment of the influence of *financial literacy* and *hedonistic attitudes* on *the personal finance* of UM Palopo students which can be seen in the following table:

Table II Regression Equation Results Regarding the Influence of *Financial Literacy* and *Hedonistic Attitudes* on *Personal Finance* of UM Palopo Students

Model	Coefficients ^a		Standardized		
	Unstandardized Coefficients		Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	3.500	4,227		,828	,409
Financial Literacy (X1)	,785	,137	,579	5,734	,000
Hedonisme Attitude (X2)	,148	,134	,111	1,103	,272

a. Dependent Variable: Personal Finance

Based on the *coefficient table* above in the *unstandardized coefficient column* , it can be seen that the multiple linear regression equation is as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + e$$

$$\text{Then we get the value } Y = 3.500 + 0.785X_1 + 0.148X_2$$

From this equation it can be concluded that:

A constant of 3,500 states that *financial literacy* and hedonic attitudes are considered constant or do not change (equal to zero), so the hedonic attitude is 3,500.

1. The regression coefficient (b_1) *Financial Literacy* is 0.785 in a positive direction, indicating that every increase of 1 in the *financial literacy variable* will result in an increase in *hedonistic attitudes* of 0.785, assuming the other independent variables are considered constant.
2. The coefficient (b_2) for *hedonistic attitudes* is 0.148 in a positive direction, indicating that every increase in the hedonic attitude variable causes an increase in *personal finance* of 0.148, assuming that the other independent variables are considered constant.

Hypothesis testing

T Test (Partial Test)

In testing the criteria for acceptance/rejection of the hypothesis are as follows:

1. If Sig > 0.05, then H₀ = accepted, so there is no significant influence between the independent and dependent variables.
2. If Sig < 0.05, then H₀ = rejected, so there is a significant influence between the independent and dependent variables.

Table III T Test Analysis Results
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.
	B	Std. Error	Beta			
(Constant)	3.500	4,227			,828	,409
Financial Literacy (X1)	,785	.137	,579		5,734	,000
Hedonisme Attitude (X2)	,148	.134	.111		1,103	,272

a. Dependent Variable: Personal Finance

1. The influence of *financial literacy* (X₁) on *personal finance* (Y) states that there is a significant influence between the independent variable and the dependent variable.
2. There is no influence of hedonic attitudes on *personal finance* (Y)
3. Simultaneous influence of *financial literacy* (X₁) and *hedonism* (X₂) on *personal finance* (Y). 95% confidence level, $\alpha = 0.05$

$$T \text{ table} = t (\alpha / 2; n - k - 1) = t (0.025; 122) = 1.984$$

F test

1. If the sig value < 0.05, or F count > F table then there is an influence of variable X on variable Y
2. If the sig value is > 0.05, or F count < F table then there is no simultaneous influence of variable X on variable Y

$$F \text{ table} = F (k; n - k) = F (2; 123) = 3.07$$

Hypothesis Testing (H1)

Know sig value. For the influence of financial literacy on (X₁) personal finance (Y) it is 0.000 < 0.05 and the calculated t value is 5.734 > 1.984 so it can be concluded that H1 is accepted which means there is an influence of financial literacy (X₁) on personal finance (Y).

Hypothesis Testing (H2)

Known sig value. For the influence of hedonistic attitudes (X₂) on hedonistic personal finance (Y) it is 0.272 > 0.05 and the calculated t value is 1.103 < 1.984 so it can be concluded that H2 is rejected, which means there is on influence of hedonistic attitudes (X₂) on personal finance (Y).

Table IV F Test Analysis Results

ANOVA ^a					
Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	1188.417	2	594.208	48,752	.000 ^b
Residual	1486.975	122	12,188		
Total	2675.392				

a. Dependent Variable: *Personal Finance*

b. Predictors: (Constant), *Hedonistic Attitude (X₂)*, *Financial Literacy*

Hypothesis Testing (H3)

Based on the results of the output data above, it is known that the significance value for the influence of financial literacy (X₁) and hedonism (X₂) simultaneously on personal finance (Y) is $0.000 < 0.05$ and the calculated F value is $48.752 > 1.984$, so it can be concluded that H3 accepted which means there is financial literacy (X₁) and a hedonistic attitude (X₂) simultaneously towards personal finance (Y).

Coefficient of Determination

Table V Coefficient of Determination Test Results

Model Summary					
Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate
1	.666 ^a	.444		.435	3.49118

a. Predictors: (Constant), *Hedonistic Attitude (X₂)*, *Financial Literacy*

Based on the output above, it is known that the *R square value* is 0.444, this means that the influence of financial literacy (X₁) and hedonistic attitude (X₂) simultaneously on personal finance (Y) is 44.4%.

3.2 Discussion

The Influence of *Financial Literacy* on *Personal Finance*

Based on the results of testing the hypothesis, it can be seen that the significance value is $0.000 < 0.05$ and the t count is $5.734 > 1.984$, which means that the *financial literacy variable* has a significant influence on *the personal finance* of UM Palopo students partially. This is in accordance with the statement put forward that better financial literacy will improve *personal finance*. It is necessary to have knowledge about personal finance so that each individual can manage their finances well, have a prosperous life and not experience financial difficulties in the future." In connection with that *financial literacy* has a partially significant influence on *personal finance*, *lifestyle* has a partially significant influence on *personal finance*, and simultaneously *financial literacy* and *lifestyle* influence *the personal finance* of generation Z in Bandung City Universities (Khoerunnisa and Azib, 2023).

The regression coefficient analysis of financial literacy is 0.737, which means that for every 1% increase in financial literacy, financial performance increases by 0.737%. Based on the t-test, the t-count was 5.396, greater than 1.653 in the t-table, with a significant value of 0.000, smaller than 0.05. This shows that H1 is accepted, because the t count is greater than the t-table, which means financial literacy influences financial performance (Rahma Eka, et al. 2022) .

Based on research results (Yanti, 2019) the financial literacy variable has a significant positive effect on financial performance, in line with the research results. This research has the result that financial literacy has an effect on financial performance. In this regard, a similar thing was also stated that financial literacy has a significant influence on investment decisions. This explains that among millennial entrepreneurs who are the unit of analysis in this research, it is reflected in the financial knowledge, skills and self-confidence of respondents in financial management, confirming the positive influence of financial literacy on investment decisions made, at a young age they already have an entity and own business. Financial literacy is the ability to manage finances effectively to improve welfare in making investment decisions in investing activities in a certain area (Fadila, et al. 2022) .

The Influence of *Hedonism* on *Personal Finance*

Based on the test results, it can be seen that the significance value is $0.272 > 0.05$ and the t count is $1.103 < 1.984$, this can be interpreted that the *hedonistic attitude* has no partial effect on students' *personal finances* , but on the other hand, the lifestyle carried out by students is not too wasteful. This is in line with the findings of (Putri et al, 2023) who found a positive and statistically significant relationship between financial literacy and increased personal financial behavior, as well as a relationship between a more hedonistic lifestyle and increased personal financial behavior and financial attitudes . This is supported by the average hedonistic lifestyle, namely 4.02, which shows that respondents live a hedonistic life. Even though the respondents' lifestyle is classified as hedonic, calculations show that the average of their financial management behavior is 4.04, which shows that they are considered good financial managers.

The Influence of *Financial Literacy* and *Hedonistic Attitudes* on *Personal Finance*

Based on the test, it can be seen that the significance value is $0.000 < 0.05$ and F count is $48.752 > 1.984$. This can be interpreted as meaning that the influence of the *financial literacy* and the *hedonistic attitude* simultaneously influence the *personal finance*.

Based on the output results of the R square data, it can be seen that the value of the coefficient of determination is 0.4444, this means that the *financial literacy* and *hedonistic attitude* simultaneously with respect to *personal finance* are 44.4%

4. Conclusion

This research aims to determine the influence of financial literacy variables and hedonistic attitudes on the personal finance of UM Palopo students. Based on the results and discussion of this research, it can be concluded that financial literacy has a great influence on students' personal finance , however, the hedonism attitude variable has no effect on students' personal finance and the financial literacy and hedonistic attitude have a simultaneous effect on personal finance, so that the influence between variables financial literacy and hedonistic

attitude influence on personal finance . In this case, this does not mean that it has no influence at all, but that students are hedonistic, knowing that urgent needs will be carried out first and not being too wasteful.

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