

The Influence of Financial Literacy and Lifestyle on the Financial Management of FKIP Palopo Muhammadiyah University Students

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Abstract

Students are a young generation who are vulnerable to the modernization and progress of today's era. Having financial literacy and a good lifestyle will be able to make students wiser in managing their finances. This research aims to determine the relationship between financial literacy and lifestyle on the financial management of students at the Faculty of Teacher Training and Education, Muhammadiyah University of Palopo. This research uses primary data obtained from questionnaires distributed to 91 respondents. The data obtained was then processed using multiple linear regression analysis methods. The results of this research show the influence of financial literacy on student financial management. However, there is no influence between student lifestyle on student financial management. However, in the results of the research, there is a simultaneous relationship between the two variables financial literacy and lifestyle on student financial management.

Keywords: Literacy, Lifestyle, Finance

1. Introduction

In the current era of globalization, economic progress and growth has an impact on all countries in the world, including Indonesia. This has an impact on the way individuals manage finances to meet their needs [1]. To avoid difficulties in managing finances in today's global world, people need to learn to manage personal expenses and set aside a portion of their income for investments that guarantee a happy life in the future [2]. Students have more freedom in deciding personal matters, including managing their finances [3]. Students are the young generation who have reached adolescence and are very vulnerable to modernization and progress of the times [4]. Because students will eventually enter the workforce and need to learn how to manage their finances independently, financial literacy is very important for them and will likely have a significant impact on the economy [5].

Financial literacy is a measure of an individual's knowledge regarding personal financial management according to the financial knowledge they have [6]. To prevent financial difficulties, financial literacy can help people better understand and be aware of financial risks and opportunities [7]. Therefore, financial literacy is very important to control or manage one's finances [8]. Students who understand financial literacy will be able to know and manage finances well and more effectively so as to avoid waste.

Students have busy lifestyles and little experience in money management, making it difficult for them to manage their finances. It may be difficult for some students to prioritize their money [9]. Many students' lives today are inversely proportional to their financial situation. Students tend to find out new things about fashion thus giving rise to a consumerist spirit without thinking about their financial condition, so that the money their parents give

them is enough for one month to run out prematurely [10]. This kind of behavior is generally called a hedonistic lifestyle.

A number of previous studies analyzing variables that influence student financial management have produced various research findings. According to [11] lifestyle does not have a significant effect on students' financial management. This research is in line with research conducted by [12] which shows that lifestyle does not have a significant effect on financial management. In other research conducted by [13] stated that lifestyle has a significant influence on student financial management. In research conducted by [14] financial literacy has a significant effect on student financial management, this research is supported by research by [15] which states that financial literacy has a positive and significant effect on student financial management. However, research conducted by [16] stated that financial literacy does not have a significant influence on students' financial management. Based on this, this research has two objectives, the first is to determine the influence of financial literacy on student financial management. second, the influence of lifestyle on student financial management.

2. Methodology

1. Data Types and Sources

This research uses quantitative data obtained from questionnaires distributed to respondents, namely students majoring in teaching and science at Palopo Muhammadiyah University. Statements in the form of questionnaires with variables measured using a Likert scale, namely Strongly Agree (SS), Agree (S), Neutral (N), Disagree (TS), and Strongly Disagree (STS). The population in this study was 123 students from the 7th semester of the teaching and science faculty.

The sample from this study was 91 people because the other 3 questionnaires were not returned by respondents. Determining the sample from this population uses the Slovin formula and technique *proportionate stratified random sampling* where in determining the sample you need to pay attention to the strata (levels) in the population which are then used to find sample estimates which will later represent the population.

2. Data Analysis Technique

Data analysis techniques use instruments, namely validity test, reliability test, multiple linear regression analysis, t test and f test. This analysis was assisted by the SPSS 26 program to determine the influence of the independent variables financial literacy (X1) and lifestyle (X2) on student financial management (Y). The multiple linear regression equation used is:

$$Y = a + b_1X_1 + b_2X_2 + e$$

Information: Y = Financial management

a = Constant

β = Regression coefficient

X1 = Financial literacy

X2 = Lifestyle

e = Error

3. Result and Discussion

3.1 Result

Table 1. Validity Test

Variable	Item	R _{Count}	R _{Table}	Information
Financial Literacy (X ₁)	X1.1	0,425	0,206	Valid
	X1.2	0,697	0,206	Valid
	X1.3	0,612	0,206	Valid
	X1.4	0,518	0,206	Valid
	X1.5	0,715	0,206	Valid
	X1.6	0,612	0,206	Valid
	X1.7	0,607	0,206	Valid
Lifestyle (X ₂)	X2.1	0,490	0,206	Valid
	X2.2	0,497	0,206	Valid
	X2.3	0,649	0,206	Valid
	X2.4	0,602	0,206	Valid
	X2.5	0,642	0,206	Valid
	X2.6	0,641	0,206	Valid
	X2.7	0,516	0,206	Valid
	X2.8	0,410	0,206	Valid
Financial Management (Y)	Y.1	0,468	0,206	Valid
	Y.2	0,557	0,206	Valid
	Y.3	0,563	0,206	Valid
	Y.4	0,753	0,206	Valid
	Y.5	0,607	0,206	Valid
	Y.6	0,719	0,206	Valid
	Y.7	0,675	0,206	Valid
	Y.8	0,684	0,206	Valid

Source: *Processed using SPSS, 2024*

Test results on r_{table} obtained a sample value (N) = 91 of 0.206. Based on the results of the validity test above, it shows that there is 1 statement instrument that has an $R_{value_{count}} < R_{table}$ namely the financial literacy variable. In this case, invalid instruments are not included in the validity test results table. This shows that all the statement instruments above are said to be valid.

Table 2. Reliability Test

Variable	Alpha Cronbach	Reliable Limits	Information
Financial Literacy (X ₁)	0,657	0,60	Reliable
Lifestyle (X ₂)	0,678	0,60	Reliable
Financial Management (Y)	0,785	0,60	Reliable

Source: *Processed using SPSS, 2024*

Based on table 2 above, the value obtained from the reliability test results on variable X_1 , X_2 , and Y returns a value $\alpha_{cronbach} > 0.60$. So it can be concluded that all instruments in this research are said to be reliable.

Table 3. Multiple Linear Regression Analysis

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error			
(Constant)	11.973	4.310		2.778	.007
Financial_Literacy	.455	.182	.354	2.494	.015
Lifestyle	.176	.173	.145	1.022	.310

a. Dependent Variable: Financial_Management

Source: *Processed using SPSS, 2024*

In column unstandardized coefficient B (Beta) The regression equation coefficient shows that: $Y = 11.973 + 0.455X_1 + 0.176X_2 + 4,310$

- The constant value is 11.973, meaning that if the financial literacy and lifestyle variables = 0, then financial management is 11.973 units.
- The value of the financial literacy variable (X_1) is 0.455 which is positive, meaning that each financial literacy variable (X_1) experiences an increase of one unit, so the financial management variable will experience an increase of 0.455 units, assuming that the other independent variables remain constant.
- The value of the lifestyle variable (X_2) is 0.176, which is positive, meaning that each lifestyle variable experiences an increase of one unit, so the financial management variable will experience an increase of 0.176 units, assuming that the other independent variables remain constant.

Hypothesis testing

Table 4. Partial Test (T)

Variable	T_{count}	T_{table}	Sig.
Financial Literacy	2,494	1,662	0,015
Lifestyle	1,022	1,662	0,310

Source: *Processed using SPSS, 2024*

Based on the T test results above, it can be concluded that:

- First hypothesis testing (H_1)

The results of hypothesis testing (T Test) in the table above show that the financial literacy variable has a value of $t_{count} > t_{table}$, namely $2.494 > 1.662$ with a significance value of $0.015 < 0.05$. Thus, the conclusion is that financial literacy (X_1) influences student financial management (Y). So in this research H_1 is accepted..

b) Second hypothesis testing (H2)

The results of hypothesis testing in the table above show that the lifestyle variable has a value of $t_{count} < t_{table}$, namely $1.022 < 1.662$ with a significance value of $0.310 > 0.05$. Thus, the conclusion is that lifestyle (X2) has no influence on student financial management (Y). So in this study H2 was rejected.

Table 5. Simultaneous Test (F)

ANOVA ^a					
Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	212.412	2	106.206	12.664	.000 ^b
Residual	738.006	88	8.386		
Total	950.418	90			

a. Dependent Variable: Financial_Management

b. Predictors: (Constant), Lifestyle, Financial_Literacy

Source: *Processed using SPSS, 2024*

Based on the results of the simultaneous test above, the calculated value (F) is 12.664 with a significance level of $0.000 < 0.05$. This shows that the F test results of all the independent variables of financial literacy (X1) and lifestyle (X2) which are included in the regression model simultaneously influence the dependent variable, namely student financial management (Y).

Table 6. Coefficient of Determination Test (R²)

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.473 ^a	.223	.206	2.89593

a. Predictors: (Constant), Lifestyle, Financial_Literacy

Source: *Processed using SPSS, 2024*

Result of *model summary* It is known that the R Square value is 0.223% or equal to 22.3%. This means that the influence of the financial literacy variable (X₁) and lifestyle (X₂) has an influence of 22.3% on the student financial management variable (Y) while the remaining 77.7% is influenced by other variables not included in this research

3.2 Discussion

The results of research on the financial literacy variable (X1) state that the significance value obtained is $0.015 < 0.05$. So it can be concluded that financial literacy (X1) has a significant influence on the financial management variable (Y). This shows that the more students understand the importance of financial literacy, the better their financial management will be. Students will avoid difficulties in dealing with financial problems and can make wise decisions due to the skills and knowledge in managing their finances. The results of this research are supported by research conducted by [14] and [15] which states that financial

literacy has a significant influence on student financial management. But it is different from the research conducted by [17] which states that financial literacy has no effect on student financial management. This means that financial literacy possessed by students does not have a strong impact and does not significantly influence student financial management.

Based on the research results above, it is known that the lifestyle variable (X_2) has a significance value of $0.310 > 0.05$. So it can be concluded that lifestyle has no influence on student financial management. Whether or not the lifestyle adopted by the students in this study has no influence on their financial management. Because a person's lifestyle is determined by how they spend money, allocate time, and express their interests and activities [17]. This research is in line with research conducted by [11] and [12] which states that lifestyle has no influence on student financial management. But in research conducted by [9] has a negative but significant influence on financial management. This means that the higher a person's lifestyle, the lower their financial management will be

4. Conclusion

Based on research that has been conducted using multiple linear regression analysis, it shows that there is an influence between financial literacy variables on student financial management which obtains a significance value greater than the t-table value. However, this research failed to find any influence between lifestyle variables on the financial management of students at the teaching and science faculty at Palopo Muhammadiyah University.

In this research there are still many limitations, where the research was only carried out in the Palopo city area at the Palopo Muhammadiyah University at the FKIP faculty (Faculty of Teacher Training and Science). For further research, it would be better to expand the research area and also add samples and research variables apart from financial literacy and lifestyle on student financial management. The role of lecturers is also very important in educating students so that they can open up knowledge about the importance of financial literacy for someone now and in the future

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6. Reference

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