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The Effect of Financial Literacy, Life Style, Financial Self-Efficacy on Risk Credit Behaviour in the Use of Paylater in the Millennial Generation at the Tual Mayor's Office

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ABSTRACT
The purpose of this study is to determine and analyse the effect of financial literacy on risk credit in using PayLater, to determine and analyse the effect of life style on risk credit in using PayLater, to determine and analyse financial self-efficacy on risk credit in using PayLater. The sample used was 88 millennial generation employees at the Tual Mayor's office. The research method uses descriptive quantitative, and the data analysis technique uses Path analysis with the help of Smart PLS. the results show that financial literacy has no significant effect on risk credit behaviour. Life style has a positive and significant effect on risk credit behaviour. Financial self-efficacy has no significant effect on risk credit behaviour..
Keywords: *LiterasiKeuangan, Life Style, Financial Self-Efficacy, Risk Credit Behaviour, Paylater*

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I. INTRODUCTION

Along with the development of financial technology, paylater payment methods are increasingly popular, especially among the millennial generation. Paylater offers convenience in transactions with a buy now, pay later system, which allows users to make purchases without having to pay directly. However, the use of paylater also increases the potential for credit risk (risk credit behaviour), such as late payment or default.Some factors that influence risk credit behaviour in the use of paylater include; financial literacy which wants to see an individual's ability to understand and manage finances effectively, life style where consumption patterns and lifestyles can encourage the use of paylater, financial self-efficacy which wants to see a person's confidence in managing finances and making financial decisions.

Changes in consumption patterns in the digital era have affected almost all levels of society, including employees in government agencies, such as in Tual City. Advances in payment technology, such as paylater services, allow people to fulfil lifestyle needs more easily (Nurhayati &Sukmawati, 2021)..

Employees, as part of an economically active society, cannot escape the influence of this lifestyle. Lifestyle reflects an individual's behaviour patterns, preferences and priorities in allocating their resources, both time and money (Kotler & Keller, 2016). In Tual City, although it still has strong cultural roots, there is a tendency that modern lifestyles are starting to enter and influence employees' consumption preferences, both in terms of secondary needs such as entertainment, technology, and tertiary needs such as travel and luxury goods (BPS, 2023).

II. THEORY

Lifestyle refers to an individual's way of life that is influenced by the habits, choices, and values they adopt in their daily lives. It includes consumption patterns, social preferences, personal habits, as well as how an individual chooses to allocate their resources, such as time, energy and money (Beaudoin et al., 2003). In a financial context, lifestyle can describe an individual's spending patterns that are often influenced by social and emotional factors, as well as the tendency to fulfil needs or wants impulsively. Consumptive lifestyle is one aspect that is often associated with risky financial behaviour. Individuals with a consumptive lifestyle tend to prioritise instant gratification through the consumption of goods and services without considering their ability to pay or the long-term impact on their financial condition (Richins, 1994). Such lifestyles often involve the use of credit, including PayLater facilities, which allow them to buy now and pay later. This risks creating uncontrollable debt if individuals do not have the ability to manage these obligations.

Financial self-efficacy is a human or individual's belief in himself to be able to achieve his goals in his financial planning. However, financial self-efficacy can also be interpreted as a positive belief in one's expertise to be able to achieve their financial goals, in this case each individual certainly has confidence in their ability to manage their finances (Kautsar et al., 2018). In dealing with problems, individual recognition of self-efficacy can also affect when taking an action, thinking before acting, feeling, and how to motivate oneself (Noor et al., 2020). The indicators used to determine the effect of financial self-efficacy based on Lown (2011) are expertise in managing outgoing money, expertise in achieving financial goals, expertise in making decisions in emergencies, ability to face financial challenges,

Credit risk is the risk due to the failure of debtors and/or other parties (counterparties) to fulfil their obligations to creditors. Comprehensive credit risk management can be done through risk identification, risk measurement, risk monitoring and risk control. Credit report and credit score products provided by credit bureaus can be used as one of the tools in all aspects of risk management and support careful decision making so that potential risks can be mitigated. Through effective credit risk management, the quality of the credit portfolio can be maintained and business performance and achievement of business targets can be realised. Literacy on the uses and risks of loans and literacy on how to build wealth properly.

The high level of e-commerce and the high interest of its users are an option for people who cannot escape the facilities or payment methods that are considered practical, safe and convenient, the e-commerce payment system was developed in order to reach a wider range of consumers from each group, especially millennials, one of the digital payment systems that consumers are interested in is the online home credit payment method or the payleter method (RosyidRidho, 2014). Paylater is a postponed payment system, in other words we can buy goods without having to pay directly but instead we pay every month along with interest.

III. METHODOLOGY

This research uses a quantitative approach with a type of causal research. Causal research aims to test the influence between independent variables on the dependent variable. From the calculation using the Slovin formula, the sample obtained was 87.8048 with rounding up to 88 millennial generation employees at the Tual Mayor's office.

The data analysis technique uses path analysis with the help of Smart PLS 3 software. The structure formulation is as follows:

$$Y = PYX1 + PYX2 + PYX3 + \varepsilon\_$$

Description:

X1	=	Financial Literacy	X3	=	Financial Self-Efficacy
X2	=	Life Style	Y	=	Risk Credit Behaviour
PY	=	Path Coefficient	ε_1	=	Structure error 1

IV. RESULT

The results showed that financial literacy has no significant effect on risk credit behaviour. Although millennial employees at the Tual Mayor's Office have an understanding of financial concepts, it does not guarantee that they avoid using risky paylater. This shows that the knowledge aspect alone is not enough to change financial behaviour.

Life style has a positive and significant effect on risk credit behaviour. The more consumptive the lifestyle of a millennial employee, the more likely they are to use PayLater riskily. This is driven by social pressure, professional lifestyle, and easy access to digital credit.

Financial self-efficacy has no significant effect on risk credit behaviour. Confidence in managing finances was not strong enough to suppress risky credit behaviour. Employees who feel capable of managing finances can still be trapped in impulsive use of PayLater.

V. CONCLUSION

Based on the results and discussion presented in the previous chapter, it can be concluded that:

1) Conduct research with a broader scope, for example comparing millennials in the government and private sectors to see if there are differences in financial behaviour.

2). Local governments need to increase financial education in the work environment, especially for millennial employees who are prone to consumptive lifestyles.

3). Millennial employees need to implement stricter financial management strategies, such as making a monthly budget and avoiding unnecessary consumptive debt.

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