

Analyzing the Influence of Financial Attitude, Financial Knowledge, and Lifestyle on Saving Behavior through Self-Control as Mediation in the Millennial Generation in Ambon

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ABSTRACT

The saving behavior of the millennial generation in Ambon City is relatively low since it is influenced by several factors from outside and within the individuals themselves. This research determines the influence of financial attitude, financial knowledge, and lifestyle on saving behavior through self-control as a mediation of the millennial generation in Ambon City.

This quantitative research uses the data path analysis technique with the Partial Least Square (SmartPLS) application to test ten hypotheses. Using the accidental sampling technique, samples were taken using the Lemeshow formula, namely, at least 100 respondents. The data are collected using an online questionnaire. Research results conclude that there is no direct influence of financial attitude on saving behavior, there is no direct influence of financial knowledge on saving behavior, there is a direct influence of lifestyle on saving behavior, there is a direct influence of financial attitude on self-control, there is an influence of financial knowledge on self-control, there is no direct influence of lifestyle on self-control, there is a direct influence of self-control on saving behavior, indirectly self-control can mediate financial attitude on saving behavior, indirectly self-control can mediate financial knowledge on saving behavior, and indirectly self-control cannot mediate lifestyle on saving behavior.

Keywords: Financial Attitude, Financial Knowledge, Life Style Self Control, Saving Behavior

Date of Submission: 25-05-2024

Date of acceptance: 06-06-2024

I. INTRODUCTION

The millennial generation, also known as Generation Y, is a demographic group that emerged after Generation X. According to Frey (2018), in the Indonesian Population Census 2020 Highlights, the millennial generation was born from 1981 to 1996. The millennial generation has unique attributes in terms of demographics, tastes, and lifestyles (Frey, 2018). The millennial generation was born in an era with convenient access where, at the same time, in this era, sophisticated technology began to develop, which is synonymous with gadgets and the internet. The development of sophisticated technology causes everything to seem like a short process. In Indonesia, millennials reach 34% of the total population and will continue to dominate until 2035 (Nurhanisah, 2019).

Financial knowledge predicts saving behavior. Millennials with good and complete financial knowledge will be able to accept the benefits of saving and the problems that occur if saving is not done. This positive belief will encourage individuals to carry out their saving behavior and financial management appropriately (Firlianda, 2019). Lifestyle (life style) is more descriptive of a person's behavior about how he lives, uses his money and utilizes his time (Solihat&Arnasik, 2018). Self-control is the way a person views an event whether he can or cannot control the events that happen to him Rotter in Baker et al (2017; 28).

II. THEORY

Saving behavior according to (Warneryd, 1999) is a combination of perceived future needs, saving decisions and saving actions. Saving behavior in economic growth is also very important. According to the theory (Harrod-Domar, 2006), how to indicate whether economic activity is going well or not, can be seen from the level of savings and investment. In an economic context, savings are defined as the remaining income after deducting consumption over a certain period of time (Browing& Lusardi 1996; Warneryd 1999).

According to Besri (2018: 52) financial attitude is a person's condition, opinion or assessment of money that is applied or applied to attitude. Financial attitude can help a person in behaving towards finance both in financial management, financial budgeting and how decisions will be made. According to Marsh (Herdjiono&Damanik, 2016) Financial attitude is an attitude that refers to how a person feels about their personal financial matters and is measured by responses to a statement.

Financial knowledge is a set of skills and knowledge gained through education that enables an individual to make effective decisions with all their financial resources. Education or education can increase an individual's financial knowledge, the more someone receives education, the individual's financial knowledge will also increase (Pradiningtyas and Lukiasuti, 2019).

Simply put, life style is defined as how one lives, including how one allocates their time, and so on. Setiadi states that life style is broadly defined as a way of life identified by how people spend their time, what they think about themselves and the world around them. According to Mowen, life style is a pattern of a person's life behavior, patterns in shopping and allocating time. Sutisna states that the definition of life style is a way of life identified by how a person spends their time, what they consider important in their environment, and what they think about themselves and the world around them (Nugraheni, 2003).

Self control can be interpreted as how individuals control themselves over the decisions that will be made and the behavior that will be shown, it can also be interpreted as individual skills in their sensitivity to read the situation of themselves and their environment. Self-control is the ability of individuals to organize, regulate, and guide and direct themselves to behave with positive consequences and as a potential that can then be developed and used by individuals in the process during their lives, including to deal with conditions that exist in the surrounding environment (Marsela&Supriatna, 2019).

III. METHODOLOGY

This type of research is quantitative research, the data obtained from the research population sample is analyzed in accordance with the statistical methods used and then interpreted (Sugiyono, 2018). Researchers used 100 respondents with sampling based on purposive sampling with the following criteria: 1). Respondents in this study are millennial generation. 2). Respondents who already have a job and are already earning either full time or part time work and others. 3). Respondents who are aged 24 to 39 years (born in 1981-1996). 4). Respondents who are located in Ambon City. Researchers used Path Analysis with the following paradigm:

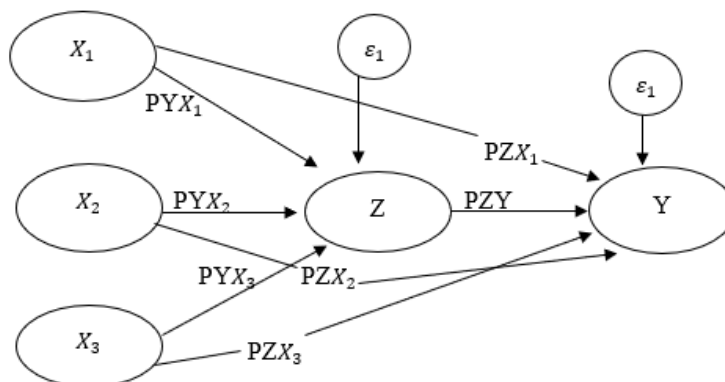


Figure 1. Paht Analysis Model

The Structure Formulation is as follows:

$$Y = PYX_1 + PYX_2 + PYX_3 + \varepsilon_2$$

$$Z = PZX_1 + PZX_2 + PZX_3 + PZY + \varepsilon_2$$

Description:

X₁ = Financial attitude, X₂= Financial Knowledge, X₃ = Life Style, Z = Self Control, Y = Saving Behavior, PY = Path Coefficient, ε₁ = Error structure 1, ε₂ = Error structure 2.

IV. RESULT

The measurement model for validity and reliability tests, model determination coefficient and path coefficient for the equation model, can be seen in Figure 2 below:

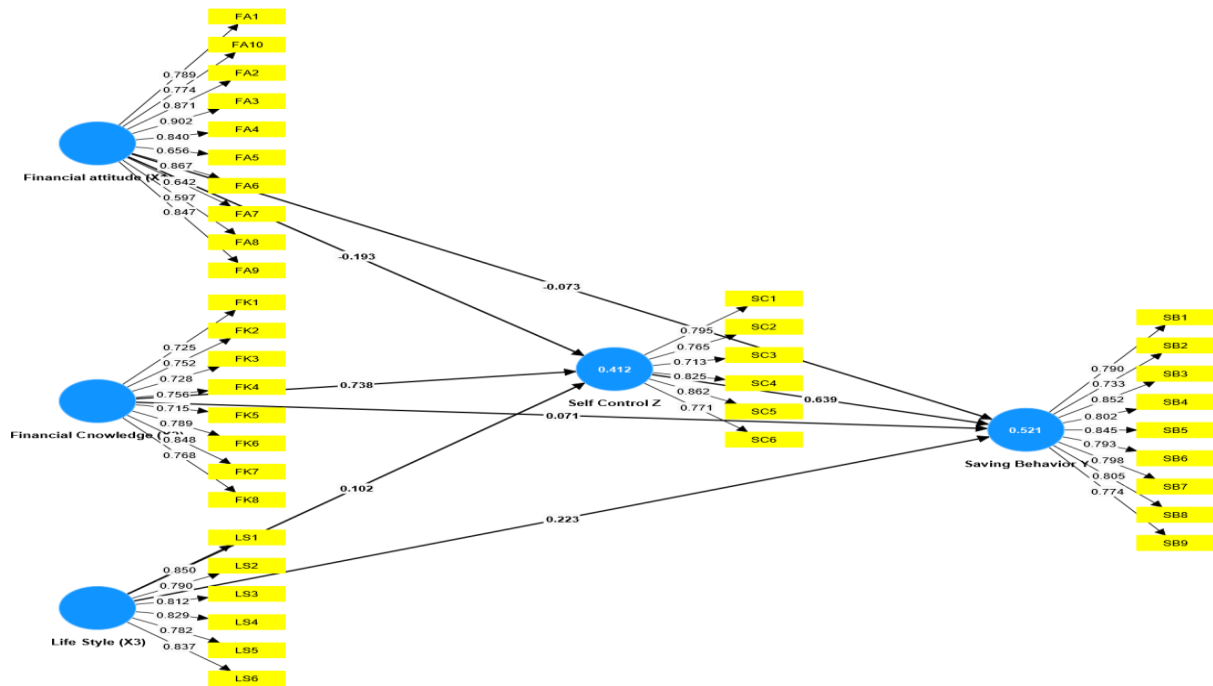


Figure 2. Display of PLS Algorithm Results

There are still invalid indicators, seen from the value of the autor model which is less than the cut off value of 0.7. So it is necessary to make modifications by removing invalid indicators

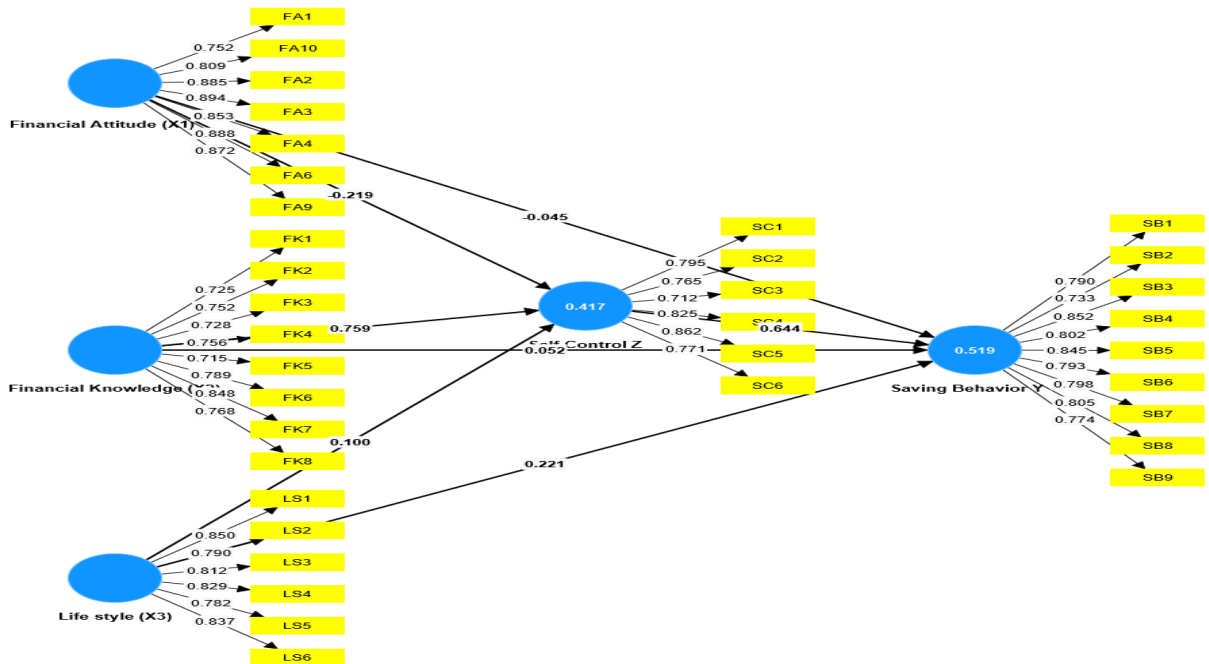


Figure 3. Modification results

The results of direct influence in the following table:

Table 1. Direct Effect

Variabel	T statistics (O/STDEV)	P values
Financial Attitude X1 -> Saving Behavior Y	0.618	0.537
Financial Attitude X1 -> Self Control Z	2.482	0.013
Financial Knowledge X2 -> Saving Behavior Y	0.489	0.625
Financial Knowledge X2 -> Self Control Z	8.648	0.000
Life Style X3 -> Saving Behavior Y	3.190	0.001
Life Style X3 -> Self Control Z	1.205	0.228
Self Control Z -> Saving Behavior Y	6.417	0.000

Table 2. Indirect effect

Variabel	T statistics (O/STDEV)	P values
Financial Attitude X1 -> Self Control Z -> Saving Behavior Y	1.516	0.025
Financial Knowledge X2 -> Self Control Z -> Saving Behavior Y	3.628	0.000
Life Style X3 -> Self Control Z -> Saving Behavior Y	1.176	0.233

Table 3. Total Effect

Variabel	T statistics (O/STDEV)	P values
Financial Attitude X1 -> Saving Behavior Y	2.144	0.032
Financial Attitude X1 -> Self Control Z	2.482	0.013
Financial Knowledge X2 -> Saving Behavior Y	5.070	0.000
Financial Knowledge X2 -> Self Control Z	8.648	0.000
Life Style X3 -> Saving Behavior Y	3.554	0.000
Life Style X3 -> Self Control Z	1.205	0.228
Self Control Z -> Saving Behavior Y	6.417	0.000

V. CONCLUSION

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

- 1) That there is no direct influence of financial attitude on saving behavior,
- 2) There is no direct influence of financial knowledge on saving behavior,
- 3) There is a direct influence of lifestyle on saving behavior,
- 4) There is a direct influence of financial attitude on self-control,
- 5) There is an influence of financial knowledge on self-control,
- 6) There is no direct influence of lifestyle on self-control,
- 7) There is a direct influence of self-control on saving behavior,
- 8) Indirectly self-control can mediate financial attitude on saving behavior,

- 9) Tndirectly self-control can mediate financial knowledge on saving behavior, and
10) Tndirectly self-control cannot mediate lifestyle on saving behavior..

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