The Effect of Income and Expenditure on Household Financial Stability in Entrepreneurship in The Old Market Tourism of Tangerang City

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Abstract. This study aims to ascertain the relationship between income and household financial stability in Tangerang City micro, small, and medium-sized enterprises (MSMEs). Additionally, the study seeks to ascertain the relationship between expenditure and household financial stability in MSMEs in Tangerang City and the relationship between income and expenditure. Using the Purposive Sampling Technique, this study employed the multiple regression analysis method using SPSS software version 26. The study's objects are entrepreneurial actors in Tangerang City's historic market, a popular tourist destination. This study employed quantitative data as its data type. Income has a considerable impact on household financial stability, according to the T-test results on the income variable, which showed significant results of 0.002 < 0.05. It may be concluded that spending considerably impacts financial stability based on the T-test findings for the expenditure variable, which showed substantial values of 0.004 >0.05. The F test results indicate a simultaneous relationship between household financial stability and expenditure, with a significance value of 0.02 < 0.05 x income. Therefore, it can be given the impact that income has on the financial stability of households. This research looks at household financial stability behaviour and the relationship between income and spending in Tangerang City's old market tourism to add fresh insights to the body of knowledge in this area

Keywords: Income; Expense; Household Financial Stability

1 Introduction

Micro, small, and medium-sized enterprises (MSMEs) are the companies most closely linked to financial management; their significance to the nation's economic development cannot be overlooked. Families, who make up the smallest social unit in the country and are financially secure, also contribute significantly to the nation's economy.

To cover the household's needs for goods and services, it has to have an income. Wages and various sources of revenue make up the household income. Families must spend money to purchase products and services to meet their requirements. The kind, amount, and cost of products and services provided to the underprivileged are all indicators of household

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consumption. Common sense dictates that reasonable family requirements must be met, and choices in products and services must be made carefully. The family should take into account the resources and interests of each member while making a purchase or using a service In [1].

In addition to the household's demand for money, poor money management also contributes to family financial issues. It is, specifically, failing to discuss money management with a spouse. [www.hsbc.co.id].

The following formulation can be used to identify the challenges in this study based on the background mentioned above: lack of knowledge about financial management among MSME actors; MSME actors are still inappropriate in handling the residual income issued; MSME actors continue to rely on debt to meet family needs; MSME actors' expenses exceed their income; and MSME actors' income is still inconsistent or uncertain There is never much of a sales turnover, and MSME participants don't have any unique revenue planning.

This case study aims to help researchers understand the relationship between income and household financial stability in micro, small, and medium-sized enterprises (MSMEs) in Tangerang City. They also hope to ascertain the impact of expenditure and income on household financial stability in MSMEs in Tangerang City.

Literature Review

Previous research by [2] shown the impact of income levels on family financial planning, as well as the relationship between household income and spending factors and household financial stability variables.

According to [3] and [4], excessive household expenditures must be regulated since they must match the income received. Large and rising household expenditures would lead to financial difficulties for households.

Any conduct that needs to be planned can be explained by the notion of planned behaviour [5]. Reasoned action theory is enhanced by planned behaviour theory. According to scientific data, subjective norms and attitudes toward behaviour are the two leading causes of the intention to perform specific acts, according to reasoned action theory [6]

The writer expands on the findings of earlier studies using the following theories:

H1: Income (X1) partially has a significant influence on household financial stability (Y).

H2: Expenditure (X2) partially has a significant effect on Household Financial Stability (Y).

H3: Income (X1) and Expenditure (X2) simultaneously have a significant influence on Household Financial Stability (Y).

2. Method

Using SPSS 26 software, a quantitative research strategy was employed in this study as a descriptive research method. Posits that quantitative methods are grounded in the positivist philosophy and are utilised to investigate specific populations or samples, gather data through research instruments, and analyze quantitative and statistical data to describe and test hypotheses.

The Old Market Tourism of Tangerang City is where the MSMEs where the research was conducted. Research is being done on this site because Tangerang City is among the cities where MSMEs are growing at an extremely high rate. All 117,408 MSMEs in Tangerang City make up the study's population. The researchers applied a 10% tolerance to the Slovin calculation to obtain the sample.

3. Results and Discussion

Table 1. Descriptive Statistical Analysis of 3 Variables

	Descriptive Statistics				
	N	Minimum	Maximum	Mean	Std. Deviation
Income	100	27.00	59.00	48.5500	5.55846
Expense	100	20.00	46.00	38.6700	4.04284
Household Financial Stability	100	24.00	60.00	51.5700	6.49826
Valid N (listwise)	100				

Source: SPSS output 26 data processed 2023

The Income Variable (X1) has the lowest value (Minimum) of 27 and the highest value (Maximum) of 59, with an average value (Mean) of 48.55 and a standard deviation of 5.558, as shown in Table 4.10 above, which displays the number of respondents (N): 100. With an average value (Mean) of 38.67 and a standard deviation of 4.043, the expenditure variable (X2) has the lowest value (Minimum) of 20 and the highest value (Maximum) of 46. The Household Financial Stability variable (Y) has an average value (Mean) of Income (X1) of 51.57, a standard deviation of 6.498, and lowest and maximum values, respectively, of 24 and 60.

Table 2. Validity Test Results of Household Financial Stability Variable (Y)

Statement code	r calculate	r table	Information
Y1	0,484	0,361	Valid
Y2	0,562	0,361	Valid
Y3	0,537	0,361	Valid
Y4	0,818	0,361	Valid
Y5	0,627	0,361	Valid
Y6	0,691	0,361	Valid
Y7	0,778	0,361	Valid
Y8	0,811	0,361	Valid
Y9	0,639	0,361	Valid
Y10	0,781	0,361	Valid
Y11	0,720	0,361	Valid
Y12	0,715	0,361	Valid

Source: SPSS output 26 data processed 2023

The statements for the variable Household Financial Stability (Y) from items 1 through 12 are valid, according to the results of the SPSS output above, because each item 1 statement equals 12 t-count > t-table (0.361).

Table 3. Income Variable Validity Test Results (X1)

Statement code	r calculate	r table	Information
X1.1	0,485	0,361	Valid
X1.2	0,477	0,361	Valid
X1.3	0,538	0,361	Valid
X1.4	0,909	0,361	Valid
X1.5	0,409	0,361	Valid
X1.6	0,834	0,361	Valid
X1.7	0,909	0,361	Valid
X1.8	0,557	0,361	Valid
X1.9	0,909	0,361	Valid
X1.10	0,477	0,361	Valid
X1.11	0,834	0,361	Valid
X1.12	0,834	0,361	Valid
X1.13	0,367	0,361	Valid

Source: SPSS output 26 data processed 2023

Each question item has an r-count value (r-pearson) more excellent than the r-table with a=0.05 and df=28, which is 0.361, based on the calculation results in table 4.12 for the validity test on the income variable (X1), which consists of 13 statement items. This means that the question items in the income variable are valid.

Table 4. Expenditure Variable Validity Test Results (X2)

Statement Code	r calculate	r table	Information
X2.1	0,471	0,361	Valid
X2.2	0,504	0,361	Valid
X2.3	0,757	0,361	Valid
X2.4	0,854	0,361	Valid
X2.5	0,459	0,361	Valid
X2.6	0,851	0,361	Valid
X2.7	0,570	0,361	Valid
X2.8	0,570	0,361	Valid
X2.9	0,754	0,361	Valid
X2.10	0,797	0,361	Valid

Source: SPSS output 26 data processed 2023

It can be concluded that the statement items in the expenditure variable are valid based on the calculation results in table 4.13 for the validity test on the expenditure variable (X2), which

consists of 10 statement items. Each statement item has an r-count value (r-pearson) greater than the r-table with a=0.05 and df=28, which is 0.361.

Table 5. Household Financial Stability Reliability Test Results (Y)

Cronbach's Alpha	N of Items
.885	12

Source: SPSS output 26 data processed 2023

We can conclude that the household financial stability (Y) variable is reliable based on the test results using SPSS 26. This is because Cronbach's Alpha coefficient of 0.885 indicates a sufficient level of reliability, exceeding the significance of 0.600.

Table 6. Revenue Reliability Test Results (X1)

Reliability Statistics

Cronbach's Alpha	N of Items
.905	13

Source: SPSS output 26 data processed 2023

Table 7. Expenditure Reliability Test Results (X2)

Reliability Statistics	
Cronbach's Alpha	N of Items
.845	10

Source: SPSS output 26 data processed 2023

It is possible to conclude that the spending variable (X2) is trustworthy based on the test findings using SPSS 26, as it has a Cronbach's Alpha reliability level of 0.845, which is greater than the significance number of 0.600.

Table 8. Classical Assumption Test Results

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		100
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	4.58178277
Most Extreme Differences	Absolute	.049
	Positive	.049
	Negative	-.042
Test Statistics		.049
Asymp. Sig. (2-tailed)		.200[c,d]

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

d. This is a lower bound of the true significance.

Source: SPSS output 26 data processed 2023

Table 8 presents the results of the classical assumption test using Asymp. Sig values are acquired. With two tails, 0.001. As a result of Asymp.Sig. (2-tailed) > α (0.05), H0 is accepted, indicating that the study's data are normally distributed and that the test normality assumption is satisfied.

Table 9. Multicollinearity Test

Coefficients a

Standardized Coefficients Beta	t	Sig.	Collinearity Statistics Tolerance	VIF
	1.316	.191		
.489	5.120	.000	.562	1.781
.283	2.963	.004	.562	1.781

a. Dependent Variable: HOUSEHOLD FINANCIAL STABILITY

Source: SPSS output 26 data processed 2023

It is known from Table that every independent variable in this study had a tolerance value of > 0.1 and a VIF < 10, indicating the absence of multicollinearity issues in the data.

Table 10. Multiple Linear Regression Test

Coefficientsa

Type		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	6.208	4.715		1.316	.191		
	INCOME	.572	.112	.489	5.120	.000	.562	1.781
	EXPENSE	.455	.154	.283	2.963	.004	.562	1.781

a. Dependent Variable: HOUSEHOLD FINANCIAL STABILITY

Source: SPSS output 26 data processed 2023

The regression equation model is as follows, based on Table of the results of the multiple linear regression analysis: a constant (a) of 6.208 is produced, the regression coefficient for the income variable (b1) is 0.572, and the regression coefficient for the spending variable (b2) is -0.455.

Y = a + b1X1 + b2X2

Y = 6.208 + 0.572 + 0.0455

Information

Y = household financial stability

a = Constant

b1, b2 = Regression Coefficient

X1 = Revenue

X2 = Expenses

Tabel 11. Coefficient of Determination Test Results

Model Summary[b]

Adjusted R Square	Std. Error of the Estimate
.493	4.62878

a. Predictors: (Constant), EXPENSES, INCOME

b. Dependent Variable: HOUSEHOLD FINANCIAL STABILITY

Source: SPSS output 26 data processed 2023

The Adjusted R^2 value of 0.493, which is based on the output from Table 4.22 above, indicates that income and expenses have a 49.3% impact on household financial stability.

Table 12. F Test

ANOVAa

Df	Mean Square	F	Sig.
2	1051.115	49.059	.000b
97	21.426		
99			

a. Dependent Variable: HOUSEHOLD FINANCIAL STABILITY
b. Predictors: (Constant), EXPENSES, INCOME
Source: SPSS output 26 data processed 2023

Table 12 yielded a significant value of 0.02 < 0.05, indicating that income and expenses jointly impact household financial stability simultaneously.

Table 13. T Test

Coefficients a

Unstandardized Coefficients		Standardized Coefficients		
B	Std. Error	Beta	t	Sig.
6.208	4.715		1.316	.191
.572	.112	.489	5.120	.000
.455	.154	.283	2.963	.004

a. Dependent Variable: HOUSEHOLD FINANCIAL STABILITY
Source: SPSS output 26 data processed 2023

The following conclusions about the hypothesis testing findings can be drawn from Table 13:

Test hypothesis 1: "Income has a significant effect on household financial stability" is accepted as the study's first hypothesis based on income's significance value of 0.002 < 0.05. It is possible to conclude that income impacts the stability of household finances.

2) Examine the second hypothesis.

The study's second hypothesis—"expenditure has an effect and significant on household financial stability"—is accepted since financial technology had a significance value of 0.004 < 0.05. As a result, expenditure may significantly impact the stability of household finances

4. Conclusion

Given that the income variable produced significant findings (0.002 < 0.05) in the T-test, it can be concluded that income significantly influences household financial stability in Tangerang City's old market, supporting the acceptance of H1. This is because there is always a daily stream of revenue from business for entrepreneurs in Tangerang City's old market tourist attraction, which may support household necessities. Therefore, the household's financial stability is impacted by their income.

Given that the expenditure variable produced significant findings (0.004 > 0.05) from the T-test, it can be concluded that expenditure significantly affects household financial stability in

Tangerang City's old market, supporting the acceptance of H2. This is a result of the ability of business owners in Tangerang City's former market to satisfy both primary and secondary demands and tertiary needs. Also, the majority of their spending goes toward savings. These savings can be used for other purposes, including clearing debt or funding emergency supplies. Thus, their spending impacts the household's capacity to make ends meet.

Based on the F test results for the variable, a significance value of $0.02 < 0.05$ can be drawn, indicating that income and expenditures jointly influence household financial stability in Tangerang City's old market, supporting the acceptance of H3. This is so business owners in Tangerang City's former market can plan how to handle revenue and outlay to satisfy primary, secondary and tertiary needs.

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