The Influence of Locus of Control, Financial Attitude, and Financial Knowledge on Financial Management Behavior

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Abstract. This study aims to assess the impact of locus of control, financial attitude, and financial knowledge on financial management behavior, individually and collectively. This study is a quantitative descriptive research conducted with a sample size of 100 respondents who are students from Muhammadiyah University in Tangerang. The data used in this research is derived from primary sources. The findings of this study suggest that locus of control, financial attitude, and financial knowledge have a somewhat optimistic and simultaneous impact on financial management behavior. The Adjusted R Square score is 0.651, equivalent to 65.1%. This indicates that 65.1% of the variation in financial management behavior can be accounted for by locus of control, financial attitudes, and financial knowledge. The remaining 34.9% is attributed to additional variables not investigated in this study. This study investigates the correlation between locus of control, financial attitude, financial knowledge, and financial management behavior in students. It aims to provide novel insights into the existing literature on this topic

Keywords: Financial Attitude, Financial Knowledge, Financial Management Behavior, Locus of Control

1 Introduction

Millennials are a technologically savvy demographic with a comprehensive understanding of technology and the capability to fulfill all their needs through technology [1]. Millennials often have challenges when it comes to effectively handling their finances, resulting in many of them being unable to attain financial autonomy. There are numerous factors contributing to the challenge of making sound financial choices. Millennials are highly susceptible to the influence of development and modernization. College students are included in this group. Millennials will undergo lifestyle shifts in tandem with rapid technological advancements [2]. The current widespread availability of internet connectivity will impact the financial management behavior of millennials.

Studying the financial management behavior of students is intriguing due to their inclusion in the millennial generation [3]. A common perception is that college students are ambitious

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intellectuals who possess the ability to handle any circumstance. Nevertheless, it is a reality that college students often conform to current trends and fashions. The elements influencing student financial management behavior can originate from the locus of control or self-control, financial attitudes or attitudes towards finance, and financial knowledge and understanding [4].

This study focused on researching "S1 Students of Muhammadiyah University Tanggerang". Studying the financial management behavior of students is intriguing due to their affiliation with the millennial generation. Many people feel that students, aspiring scholars, possess the ability to navigate various scenarios and circumstances. Indeed, students' lifestyles typically align with their egos and prevailing fashions. The question to be examined, as indicated in the description above, is whether the locus of control influences financial management behavior. Does financial mindset have any impact on financial management behavior? Does financial knowledge have any effect on money management behavior? Is there a collective impact of locus of control, financial attitude, and financial expertise on financial management behavior?

Literature Review

Locus Of Control

Defines locus of control as a psychological concept that characterizes an individual's perception of how their activities influence their success or failure. The idea of locus of control encompasses two perspectives: the internal locus of control and the external locus of control [5].

Financial Attitude

[6] defines financial attitude as an individual's mental state, opinion, and evaluation regarding finance. These factors are integral to a mindset indissociable from human rationality and impact financial decision-making.

Financial Knowledge

[7] financial knowledge refers to an individual's ability to handle money effectively by comprehending banking, investment, personal financial management, and budgeting concepts, drawing upon their life experiences and acquired knowledge.

Financial Management Behavior

According to [8], financial management behavior is a person's ability to organize, plan, budget, review, manage, monitor and store financial resources daily.

Theory of planned behavior

The Theory of Planned conduct is a psychological theory that examines the influence of several elements on an individual's intentions and subsequent conduct [9]. These aspects include attitudes, subjective norms, perceived behavioral control, personal characteristics, social

influences, and information processing. The study establishes a connection between the theory of planned behavior and financial management behavior. Specifically, it highlights that attitudes toward finance play a significant role in influencing financial management behavior. Additionally, the study emphasizes that perceptions of control over behavior, such as locus of control, also impact the theory of planned behavior. Furthermore, the study underscores that financial knowledge is a vital information factor influencing the planned behavior theory.

H1 : Locus of Control Effect on Financial Management Behavior

H2 : Financial Attitude Effect on Financial Management Behavior

H3 : Financial Knowledge Effect on Financial Management Behavior

H4 : Locus of control, financial attitude and financial knowledge Simultaneous influence on Financial Management Behavior

2. Methodology

This study employed a quantitative research methodology. [10] defines the quantitative research strategy as a method that relies heavily on numerical data, encompassing data collection, interpretation, and presentation of results.

2.1 Population and Research Sample

As [11] state, population is a broad category encompassing things or subjects with specific numbers and characteristics that researchers select for study and conclusion. The population for this study consisted of 12,585 female students enrolled in the S1 program at the University of Muhammadiyah Tanggerang.

As stated by [11], the sample is a subset that represents the population under study. It is selected based on the quantity and characteristics of the population. In this study, researchers employed the Non-probability sampling methodology called Incidental Sampling. This method relies on accidental encounters with respondents who happen to meet the researchers and are considered suitable data sources if these respondents recognize them. The study focused on 100 students who were selected as responders in the S1 program at the University of Muhammadiyah Tanggerang

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2.2 Data Source Type

As [11] state, population refers to a broad category of things or persons that possess specific numbers and characteristics, which researchers select for study and derive conclusions from. The population of this study consisted of 12,585 female students enrolled in the S1 program at the University of Muhammadiyah Tanggerang.

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suitable as data sources upon being observed by these respondents. The study focused on 100 students who were selected as responders in the S1 program at the University of Muhammadiyah Tanggerang.

2.3 Data Collection Methods

The data source utilized in this study is the primary data source, as defined by [12]. primary data refers to information acquired by field surveys and collected directly by researchers from the source. This study employed questionnaire-gathering approaches that were disseminated to students.

3. Findings and Discussion

3.1 Descriptive Statistical Analysis

This exploratory analysis test aims to ascertain the overall representation of the data, including the mean (average), minimum value (min), maximum value (max), and standard deviation of each variable under investigation, namely Locus of control (X1), Financial Attitude (X2), Financial Knowledge (X3), and Financial Management Behavior (Y).

Table 1. Statistic Descriptive

	N	Minimum	Maximum	Mean	Std. Deviation
Locus Of Control	100	30.00	50.00	40.4100	4.53738
Financial Attitude	100	28.00	49.00	38.7800	5.15140
Financial Knowledge	100	32.00	49.00	40.6900	4.10148
Financial Management Behavior	100	32.00	48.00	40.1300	4.46910
Valid N (listwise)	100				

Source: SPSS 24 output, Secondary data processed by researchers (2023)

Based on the results of the descriptive test in the table, it can be described the distribution of data obtained by the researcher, namely the Locus Of Control (X1) Variable from the data above, it can be explained that the minimum value is 30 while the maximum value is 50 and the average in the variable X1 is 40.4100. The standard deviation in the locus of the control variable is 4.53738.

The Financial Attitude (X2) variable from the data in the table illustrates that the minimum value obtained is 28, the maximum value obtained is 49, the average value in the financial attitude variable is 38.7800, and the standard deviation in the X2 variable is 5.15140.

The Financial Knowledge (X3) variable from the data can be described that the minimum value in the variable X3 is 32, while the maximum value obtained is 49, the average value in the financial knowledge variable is 40.6900, and the standard deviation of financial knowledge is 4.10148.

The Financial Management Behavior (Y) variable from the data in the table can be described as the minimum value of the Y variable being 32 and the maximum value being 48. The average value of the financial management behavior variable is 40.1300, and the standard deviation of this variable is 4.46910.

3.2 Validity Test

Table 2. Locus Of Control Validity Test Results (X1)

Question Item	r-calculate	r-table	Information
X1.1	0,748	0,361	Valid
X1.2	0,884	0,361	Valid
X1.3	0,719	0,361	Valid
X1.4	0,411	0,361	Valid
X1.5	0,833	0,361	Valid
X1.6	0,611	0,361	Valid
X1.7	0,626	0,361	Valid
X1.8	0,626	0,361	Valid
X1.9	0,730	0,361	Valid
X1.10	0,464	0,361	Valid

Source: SPSS 24 output, Secondary data processed by researchers (2023)

According to the validity test table utilizing the r table, the significance level of 0.05 is determined to be 0.361. The results of all question items on the locus of control variables indicate a correlation coefficient (r) that is greater than the critical value (r table) and positive. The analysis determines that all propositions are valid.

Table 3. Financial Attitude Validity Test Results (X2)

Question Item	r-calculate	r-table	Information
X2.1	0.675	0,361	Valid
X2.2	0,583	0,361	Valid
X2.3	0,555	0,361	Valid
X2.4	0,554	0,361	Valid
X2.5	0,503	0,361	Valid
X2.6	0,647	0,361	Valid
X2.7	0,603	0,361	Valid
X2.8	0,596	0,361	Valid
X2.9	0,623	0,361	Valid
X2.10	0,653	0,361	Valid

Source: SPSS 24 output, 2023

According to the table provided, the financial attitude variable questionnaire, which has 10 question items, is considered valid because all statement items have an r count value that is more significant than the r table value. This implies that all the statements provided to the participants are reliable and can be utilized to assess the variables under investigation.

Table 4. Financial Knowledge Validity Test Results (X3)

Question Item	r-calculate	r-table	Information
X3.1	0,440	0,361	Valid
X3.2	0,472	0,361	Valid
X3.3	0,652	0,361	Valid
X3.4	0,593	0,361	Valid
X3.5	0,620	0,361	Valid
X3.6	0,411	0,361	Valid
X3.7	0,698	0,361	Valid

X3.8	0,400	0,361	Valid
X3.9	0,495	0,361	Valid
X3.10	0,550	0,361	Valid

Source: SPSS 24 output, 2023

The validity test findings for the financial knowledge variable indicate that 10 statement items have a calculated r-value that exceeds the r-table value. Therefore, it may be inferred that all items have been deemed legitimate and can be utilized to assess the variables under investigation.

Table 5. Financial Management Behavior (Y) Validity Test Results

Question Item	r-calculate	r-table	Information
Y1	0,463	0,361	Valid
Y2	0,731	0,361	Valid
Y3	0,570	0,361	Valid
Y4	0,584	0,361	Valid
Y5	0,462	0,361	Valid
Y6	0,477	0,361	Valid
Y7	0,424	0,361	Valid
Y8	0,569	0,361	Valid
Y9	0,577	0,361	Valid
Y10	0,600	0,361	Valid

Source: SPSS 24 output, 2023

The provided table indicates that the r-table value at a significance level of 0.05 is 0.361. Each financial management behavior variable question item has a correlation coefficient (r) more significant than the critical value (r table) and is positively correlated. Thus, all inquiries in this investigation are deemed legitimate.

3.3 Normality Test

The normality test employed in this study utilizes the Kolmogorov-Smirnov test. The decision criterion is based on the significance value, where if it is more significant than 0.05, the data is considered to be normally distributed.

Table 6. Normality test results

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		100
Normal Parameters[b]	Mean	.0000000
	Std. Deviation	2.60120803
Most Extreme Differences	Absolute	0,064
	Positive	0,057
	Negative	-0,064
Test Statistics		0,064
Asymp. Sig. (2-tailed)		0.200[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.

According to the table provided, the results of the normalcy testing using the Kolmogorov Smirnov Test indicate an Asymp value. The two-tailed significance level is 0.200. The

normality test findings suggest that the residual value, which follows a normal distribution, has a significance level greater than 0.05.

3.4 Multicollinearity Test

Table 7. Multicollinearity Test

Coefficients a			
Type		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Locus Of Control	0,416	2,405
	Financial Attitude	0,449	2,225
	Financial Knowledge	0,461	2,171

a. Dependent Variable: Financial Management Behavior

The table shows that the tolerance values for the locus of control, financial attitude, and financial knowledge variables are 0.416, 0.449, and 0.461, respectively, more significant than 0.10. Additionally, the VIF values for these variables are 2.405, 2.225, and 2.171, respectively, which are all less than 10.00. Therefore, it can be concluded that there is no multicollinearity in the data.

3.5 Heterokedasticity Test

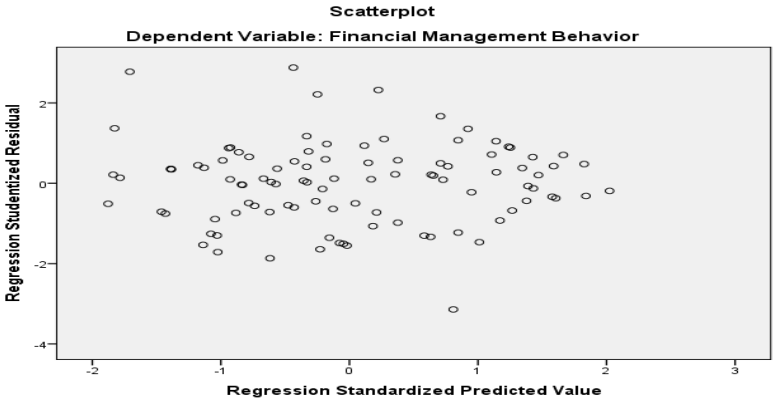

Figure 1. Heterokedasticity test results

Source: SPSS 24 output, 2023

The heteroscedasticity test image indicates that the data distribution is non-uniform and lacks a discernible pattern, with values scattered above and below the zero point on the Y-axis.

3.6 Multiple Linear Regression Test

Table 8. Results of Multiple Linear Regression Analysis X1, X2, and X3 against Y

Coefficients a				
Unstandardized Coefficients		Standardized Coefficients	T	Sig.
B	Std. Error	Beta		
6,687	2,751		2,430	0,017
0,203	,091	0,206	2,237	0,028
0,448	,077	,516	5,821	0,000
0,194	,095	,178	2,031	0,045

a. Dependent Variable: Financial Management behavior

Source: SPSS 24 output, 2023

A score of 6.687 represents a constant or stable state for the financial management behavior variable (Y), unaffected by other variables such as locus of control (X1), financial attitude (X2), and financial knowledge (X3). If the independent variable is absent, there will be no alteration in the financial management behavior (Y) variable.

The locus of control coefficient (X1) has a positive value of 0.203. Each unit increase in the locus of control variable will result in a 0.203 impact on financial management behavior, providing the financial attitude variable (X2) and financial knowledge variable (X3) remain constant.

The financial attitude coefficient (X2) is 0.448, indicating a good orientation towards finances. Each increment of 1 unit in the financial attitude variable will result in a 0.448 change in financial management behavior, assuming the locus of control variable (X1) and financial knowledge variable (X3) remain constant.

The financial knowledge coefficient (X3) is 0.194, indicating a positive correlation. Each unit increase in the financial knowledge variable will result in a 0.194 change in financial management behavior, assuming the locus of control variable (X1) and financial attitude variable (X2) remain constant.

The regression coefficients for the variables are as follows: 0.203 for the locus of control (X1), 0.448 for financial attitude (X2), and 0.194 for financial knowledge (X3) to financial management behavior (Y). The regression coefficients indicate that the financial attitude variable (X2) has the most decisive impact on financial management behavior (Y), with a coefficient of 0.448. In comparison, the locus of the control variable (X1) has a coefficient of 0.203, and the financial knowledge variable (X3) has a coefficient of 0.194.

3.7 Coefficient of Determination Test

Table 9. R Test Result

Adjusted R Square	Std. Error of the Estimate
0,651	2,642

a. Predictors: (Constant), Financial Knowledge, Financial Attitude, Locus Of Control

Source: SPSS 24 output, 2023

The table above shows the output of the SPSS Model Summary. It reveals that the coefficient determination, also known as Adjusted R Square, has a value of 0.651 or 65.1%. This indicates that the variables locus of control (X1), financial attitude (X2), and financial knowledge (X3)

collectively impact the variables of financial management behavior (Y) by 65.1%. The remaining 34.9% is influenced by other variables not examined in this study.

3.8 T Test

Table 10. T Test Result

Coefficientsa

Type		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	6,687	2,751		2,430	0,017
	Locus Of Control	0,203	0,091	0,206	2,237	0,028
	Financial Attitude	0,448	0,077	0,516	5,821	0,000
	Financial Knowledge	0,194	0,095	0,178	2,031	0,045

a. Dependent Variable: Financial Management behavior

Source: SPSS 24 output, 2023

The table indicates that the locus of the control variable has a calculated t-value of 2.237, which is statistically significant at a level of 0.028, less than the threshold of 0.05. The corresponding t-value from the table is 1.661, with a probability of 5% and degrees of freedom (df) equal to 98 (calculated as 100 - 2). Therefore, based on the fact that the t count value of 2.237 is greater than the t table value of 1.661, and the significance values of 0.028 is less than 0.05, it may be inferred that the null hypothesis (H0) is rejected and the alternative hypothesis (Ha) is accepted. A clear and strong correlation exists between the locus of control (X1) and financial management behavior (Y).

The t-test findings indicate that the financial attitude variable has a t count 5.821, which is statistically significant at 0.000 (less than 0.05). The table t value is 1.661, with a probability of 5% and degrees of freedom (df) equal to 98 (calculated as 100 - 2). Therefore, based on the calculated t-value of 5.821 being more significant than the critical t-value of 1.661 from the t-table and the significance value of 0.000 is less than the threshold of 0.05, we can conclude that the null hypothesis (H0) is rejected and the alternative hypothesis (Ha) is accepted. A strong and positive correlation exists between financial attitude (X2) and financial management behavior (Y).

The financial knowledge variable has a computed t-value of 2.031, statistically significant at 0.05. The critical t-value from the table is 1.661, with a probability of 5% and degrees of freedom (df) equal to 98 (calculated as 100 - 2). Therefore, based on the fact that the t count value of 2.031 is greater than the t table value of 1.661, and the significance values of 0.045 is less than 0.05, it may be inferred that the null hypothesis (H0) is rejected and the alternative hypothesis (Ha) is accepted. This indicates a strong and meaningful correlation between financial knowledge (X3) and financial management behavior (Y).

3.9 F Test

Table 11. F Test Result

ANOVAa

Type		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1307,448	3	435,816	62,458	0.000b

	Residuals	669,862	96	6,978
	Total	1977,310	99	

a. Dependent Variable: Financial Management behavior
b. Predictors: (Constant), Financial Knowledge, Financial Attitude, Locus Of Control
Source: SPSS 24 output, 2023

According to the F test results table, the F count is 62.458, with a significance value of 5%. This value was derived by comparing it to the F table value 2.698. Therefore, it can be inferred that the value of F, which is 62.458, is greater than the critical value of F, which is 2.698. Additionally, the significance value is 0.000, which is less than the threshold of 0.05. As a result, the null hypothesis (H0) is rejected, and the alternative hypothesis (Ha) is accepted. This implies that the variables of locus of control, financial attitude, and financial knowledge collectively significantly impact financial management behavior.

4. Conclusion

The locus of control (X1) variable has a strong and meaningful impact on the financial management behavior of students at Muhammadiyah Tanggerang University. This can be demonstrated by the t-value of 2.237, which is more significant than the critical t-value of 1.661, at a significance level of 0.028, less than the threshold of 0.05. Therefore, we reject the null hypothesis (H0) and accept the alternative hypothesis (Ha).

There is a strong and meaningful correlation between financial attitude factors (X2) and financial management behavior in students of Muhammadiyah Tanggerang University. This can be demonstrated by the fact that the t-value of 5.821 is greater than the critical t-value of 1.661 at a significance level of 0.000, which is less than the threshold of 0.05. Therefore, we reject the null hypothesis (H0) and accept the alternative hypothesis (Ha).

Financial knowledge factors (X3) strongly and favorably impact the financial management behavior of students at Muhammadiyah Tanggerang University. This can be demonstrated by the calculated t-value of 2.031, which is more significant than the critical t-value of 1.661, at a significance level of 0.045, which is less than the commonly accepted threshold of 0.05. Therefore, we reject the null hypothesis (H0) and take the alternative hypothesis (Ha).

The study found that there is a significant and positive relationship between locus of control (X1), financial attitude (X2), and financial knowledge (X3) on financial management behavior. This is supported by the F count of 62.458, which is more significant than the F table value of 2.698 and a significance value of 0.000, less than 0.05. Therefore, the null hypothesis (H0) is rejected, and the alternative hypothesis (Ha) is accepted. The adjusted R square value of 0.651 indicates that 65.1% of the variation in financial management behavior can be explained by locus of control, financial attitude, and financial knowledge. The remaining 34.9% is influenced by other variables not studied in this research.

This study is expected to be a valuable resource for future research on financial management behavior. It is advised that researchers incorporate additional characteristics, such as lifestyle, socioeconomic position, and income, which impact financial management behavior. Researchers are anticipated to broaden the population coverage to enhance the representativeness of the samples employed, thus enabling more comprehensive explanations.

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