Analysis of Factors Affecting Financial Behavior

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Abstract. Financial behavior is a core factor in the development of a country's economic progress. With the pandemic situation that has been going on for more than a year, the country's current economic growth is declining, even having a negative value. We try to photograph financial behavior in a pandemic situation. Based on the results of the initial survey, only 32% understand financial behavior well. Based on these conditions and several previous studies that are still not aligned, the researchers are interested in knowing what are the factors that influence financial behavior, in this case students of the Faculty of Economics, Universitas Kuningan. In this study, the variables taken by the researcher were financial knowledge and self-control. This is very important because students must have good financial knowledge because they have already received such knowledge and knowledge during lectures. The method used in this research is descriptive and verification. While the population used is the students of the Faculty of Economics, University of Kuningan with the sampling technique used is purposive sampling. The result shows that Financial Knowledge has positive effect to financial behavior, Self Control has positive and significant effect to financial behavior, Financial Knowledge and Self Control have a simultaneous and significant effect to financial behavior.

Keywords: Financial behavior; Financial knowledge; Self control

1 Introduction

Indonesia's economic turmoil is now affected by the COVID-19 pandemic. Since the pandemic that required the government to implement PSBB to avoid the spread of the virus that had an impact on economic movements, as evidenced by the decline in household consumption in 2020 by 2.12% compared to 2019. The decline in household consumption reflects the behavior of the public who are more careful in managing their finances, supported by the decline in retail sales in all sectors to an average of 11.8%. The decline in public demand has an effect on the decline in supply production in all sectors, even many businesses have gone bankrupt.

Financial behavior according to Shefrin (2000) is a study that studies how a person's psychology affects personal financial behavior. Then the researchers made a temporary survey as variable Y (Financial Behavior) to 30 students in Kuningan Regency through googleform. Questions based on financial behavior indicators According to Hilgert and Hogart (2003), namely making budgets and expenses, paying obligations on time, keeping records of expenses and spending, providing emergency funds, saving periodically, and making price comparisons between stores before buying goods. The survey results are as follows:

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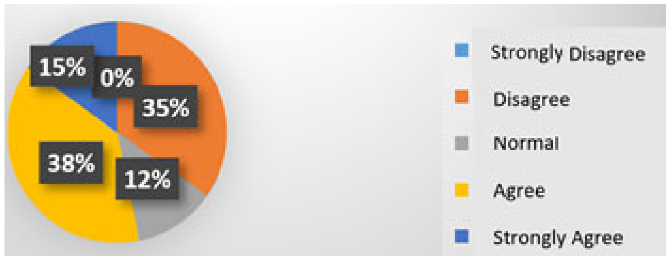

Figure 1. Student Financial Behavior Presurvey Results

Based on the results of the initial survey in March 2021, it was stated that 0% of students who strongly agreed and agreed to understand financial behavior were 38%. While the remaining 15% strongly disagree, 35% disagree, and 12% neutral. This means that 62% of students do not understand their own financial behavior patterns. Students surveyed are students of the Faculty of Economics who already understand how financial behavior should be because they have received finance courses to advanced stages. As a liaison of knowledge for the community, students should be able to carry out financial literacy activities for the community, but if they do not understand themselves, it will be difficult to implement. If this is not anticipated as early as possible, there will be a decline in financial literacy for the community and the impact on the pattern of public financial behavior will be very consumptive, meaning that for state finances this will be very bad.

Research by Alexander and Pamungkas (2019) states that financial behavior is influenced by financial knowledge and locus of control. In a journal compiled by Sari et.al (2020) stated that financial behavior is influenced by financial literacy and lifestyle. Meanwhile, research by Fauziyah and Ruhayati (2016) states that financial behavior is influenced by self-control and financial literacy.

Research by Arifin et. al. (2017) stated that financial knowledge has a positive effect on financial behavior. Supported by research by Alexander and Pamungkas (2019), financial behavior is influenced by financial knowledge. Meanwhile, according to Kholilah and Iramani (2013) financial knowledge has a negative effect on financial behavior management. This study is supported by Muhidia (2019) which states that financial knowledge has no significant effect on the Financial Behavior of Management Study Program Students, University of Muhammadiyah Gresik.

In addition to financial knowledge, Statman (2008) states that self-control or also called self-control has a role in one's actions in making financial decisions. Self-control according to Chaplin (2015) is a person's ability to master his own behavior, and to suppress impulsive actions. In conclusion, Self Control is how individuals make financial decisions and refrain from impulsive actions. Based on this phenomenon, the researcher intends to conduct research on financial knowledge, self control, influence on financial literacy and its impact on financial behavior in students throughout Kuningan Regency.

2 Methodology

The purpose of this study was to determine the financial behavior of students in Kuningan Regency. Financial behavior is all activities related to financial matters such as shopping, buying and selling shares, borrowing money, and others that are carried out by humans. Financial behavior is all activities related to financial matters such as shopping, buying and selling shares, borrowing money, and others that are carried out by humans. According to Nofsinger (2001) behavioral finance studies how individuals behave in an actual financial decision. Nababan and Sadalia state that financial behavior relates to the way a person manages, treats, and uses financial resources responsibly in using the money he has, such as making a budget, investing, saving money, to paying obligations on time.

According to a study studied by Irfandi (2020), financial behavior is influenced by Self Control. In a journal compiled by Sari et.al (2020) it is known that lifestyle influences financial behavior. Meanwhile, in the research conducted by Alexander and Pamungkas, financial behavior is influenced by financial knowledge.

Nababan and Sadali (2012) state that financial behavior indicators are in the form of budgeting and spending, paying obligations on time, keeping records of expenses and spending, providing emergency funds, saving periodically and making price comparisons between stores before buying goods.

Financial knowledge is the knowledge that a person has about finance, both concepts and the use of supporting financial tools. This is supported by a study conducted by Bowen in 2003, financial knowledge is an understanding of financial terms and concepts that are needed to be used in everyday social life. While Aminatuzzahra (2014) states that humans want to have good financial knowledge, then one must have financial ability and learn how to use financial tools (ATMs, credit cards, checks, cash, etc.). By proficiently using financial tools, a person can develop his behavior in making decisions on his finances.

Self-control according to Chaplin (2015) is a person's ability to master his own behavior, and to suppress impulsive actions. Self-control according to Chaplin (2015) is a person's ability to master his own behavior, and to suppress impulsive actions.

The study conducted by Ghufron and Risnawati (2014), taken from Irfandi (2020) is the ability to control behavior, the ability to control stimuli, the ability to anticipate an event or events, the ability to interpret events or events and the ability to make decisions. Basically humans have unlimited desires but are limited by the needs and abilities of these humans. It's just whether you can control it properly or not. Based on the results of the research above, this research will focus more on how financial behavior is influenced by financial knowledge and self-control which is derived into the hypothesis proposed in this study as described in the framework below.

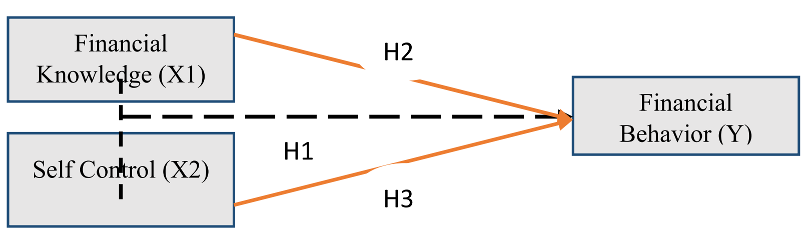

Figure 2. Research Framework

Based on the picture above, the hypothesis is:

H1: Financial knowledge and self control simultaneously affect financial behavior
H2: Financial Knowledge has a positive effect on financial behavior
H3: Self control has a positive effect on financial behavior

The research method used is descriptive verification. The type of research used is quantitative. The population used in this study were students of Kuningan Regency from 4 campuses, namely Universitas Kuningan, UNISA, STKIP Muhammadiyah and STIKES Kuningan. The samples taken were using purposive sampling technique and sampling using Slovin. The criteria used are having studied financial management courses. The number of active student population is 7546 people. Based on academic guideline data and study program data, the number of students who have studied financial management is 818 students who have taken advanced finance courses. After processing the samples obtained were 136 people. The operationalization of variables is described in the following table:

Table 1. Variable operation on the research

Variable	Indicator	Ratio
Financial Behavior (Y)	1. Make a budget and expenditure 2. Pay obligations on time 3. Make a record of expenses and spending 4. Provide emergency funds 5. Save periodically 6. Make price comparisons between stores before buying goods Hilgert and Hogart (2003)	Interval
Financial Knowledge (X1)	1. Division 2. Time value of money 3. Loan interest paid 4. Interest calculation plus balance 5. Compound interest 6. Risk and return, 7. Definition of inflation 8. Diversification. Atkinson and messy (2012)	Interval
Self Control (X2)	1. Ability to control behavior 2. Ability to control stimuli 3. The ability to anticipate an event or occurrence 4. The ability to interpret events or events 5. The ability to make decisions. Ghufron and Risnawati (2014)	Interval

3 Result and Discussion

Hypothesis is a temporary answer to the formulated problem. Therefore, this provisional answer must be tested empirically. Hypothesis testing in this study was carried out using simple regression techniques for the first, second, and third hypotheses, while for the fourth hypothesis using multiple regression techniques. The explanation of the results of testing this hypothesis is as follows:

The first hypothesis states that financial knowledge and self control simultaneously affect financial behavior. We can see the result as shown in the following table:

Table 2. Regression Analysis for The First Hypothesis

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	8987,384	2	4275,736	43,523	.000b
Residual	13728,587	133	91,342		
Total	19352,319	135			
R Square	0,506				
Ajusted R Square	0,527				

From table 2 above, the calculated F is 43,523 with a significance level of 0.000. This shows that the probability < the tolerable level of significance (0.000 < 0.05), then H1 is accepted and Ho is rejected. This shows that there is a significant positive influence on financial knowledge and self control together on financial behavior.

Then to show what percentage of the influence of financial knowledge and self control together on financial behavior. the coefficient of determination is used. From the table, it can be seen that the coefficient of determination (Ajusted R square) is 0.527, which means that 52.7% of financial behavior variables can be explained by all independent variables consisting of financial knowledge and self-control, while the remaining 47.3% of financial behavior variables are influenced by other variables not included in the research model.

We can see The second and the third hypothesis testing that states that financial knowledge affect financial behavior and that self control affect financial behavior summary of the results of simple linear regression analysis is obtained as shown in the following table:

Table 3. Regression Analysis for The Second and Third Hypothesis

Variable	Regression Coeficient (B)	t	Sig.t	Explanation
Constant	26,113	7,321	0,000	
Financial knowledge (X_1)	0,462	2,342	0,000	Significant
Self control (X_2)	0,324	1,984	0,000	Significant

The results of multiple linear regression analysis as in the table above can be written the regression equation as follows:

$$Y = 26{,}113 + 0{,}462\ X1 + 0{,}324\ X2 + e$$

The constant value is 26,113 this means that financial behavior will be 26,113 if financial knowledge and self control are equal to zero.

The financial knowledge variable (X1) has a positive influence on financial behavior, with a regression coefficient of 0.462 indicating that if financial knowledge increases by 1 percent, financial behavior will increase by 0.462 percent assuming the other independent variables are constant. The significant value (sig) is 0.000, this value is much lower than 0.05, so the influence of financial knowledge on financial behavior is significant.

Based on the SPSS calculation, the t value is 2.342 while the p value is 0.000, so that the p value is <5% (0.000 <0.05), meaning that there is a significant influence of the financial knowledge variable on financial behavior. These results indicate that the higher the financial knowledge, the better the financial behavior, and vice versa.

The self-control variable (X2) has a positive influence on financial behavior, with a regression coefficient of 0.324 indicating that if self-control increases by 1 percent, financial behavior will increase by 0.324 percent assuming the other independent variables are constant. The significant value (sig) is 0.000, this value is much lower than 0.05, so the effect of self control on financial behavior is significant.

Based on SPSS calculations, the t-value is 1.984 while the p-value is 0.000, so that the p-value is <5% (0.000<0.05), meaning that there is a significant effect of the self-control variable on financial behavior. These results indicate that the higher the self-control, the better the financial behavior, and vice versa.

4 Conclusion

The purpose of this study was to determine the financial behavior of students in Kuningan Regency. This study uses descriptive and verification analysis methods. based on multiple regression analysis we can see that, the first hyphothesis which states “Financial knowledge and self control simultaneously affect financial behavior” is accepted. The second hypothesis which states "Financial Knowledge has a positive effect on financial behavior" is accepted. Likewise, the third hypothesis which states "Self control has a positive effect on financial behavior" is accepted. So we can conclude that financial behavior of student in Kuningan affect by financial knowledge and self control.

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